

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Human Resource Management

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1.0 Summary: Department of Human Resource Management (DHRM)

The Department of Human Resource Management manages the state's personnel system, including the state's pay plan and classification system. It also runs a training program, maintains an automated statewide human resource information system, oversees the FLEX Benefits Program, and presents a major management conference each year.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	2,861,600	(34,600)	2,827,000
Dedicated Credits Revenue	343,000		343,000
Total	<u>\$3,204,600</u>	<u>(\$34,600)</u>	<u>\$3,170,000</u>
Programs			
Administration	971,200	(34,600)	936,600
Classification and Employee Relations	437,400		437,400
Recruitment, Training and Development	501,600		501,600
Flex Benefits	40,000		40,000
Management Training	300,000		300,000
Information Technology	954,400		954,400
Total	<u>\$3,204,600</u>	<u>(\$34,600)</u>	<u>\$3,170,000</u>
FTE/Other			
Total FTE	38		38

2.0 Issues: Human Resource Management

2.1 General Budget Statement

Last year, the Legislature approved a budget reduction to be absorbed by the Division of Information Technology in the Department of Administrative Services in the amount of \$2 million. This amount was not reduced from that budget, but was allocated to all state agencies to absorb a proportionate share. The General Fund amount allocated to the Department of Human Resource Management was \$34,400. A separate adjustment was made to the Department of Human Resource Management for retirement rate adjustments. The total for DHRM was \$200.

2.2 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for Human Resource Management be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

2.3 Sixth Special Session Reductions

An ongoing reduction of \$127,000 was made in the Sixth Special Session. This was mitigated by a one-time restoration of \$50,000 for FY 2003. The Agency proposes to absorb the cuts by reducing two positions. One of these would be through attrition; the other would be a reduction in force. Any remaining savings would be made up by reducing current expense. The proposed reallocations would be focused on Administration and Information Technology.

2.4 Market Comparability Study and Recommendations

The Department of Human Resource Management conducts an annual market comparability study as required in UCA 67-19-12(4)(c). The Statute mandates that DHRM recommend to the Governor annual adjustments to pay plans and compensation of employees to be used in the preparation of the Executive Budget. Recommended adjustments shall include the effect of a salary survey of benchmark positions in the private and public sector in the State that represents a reasonable cross section of public and private employees.

Recommendations for FY 2004 include the following:

- ▶ .71 percent to fund Market Comparability Adjustments and give salary increases to those employees who fall below the new minimum of the salary range.
- ▶ 2.5 percent to fund employee merit increases

- ▶ 2 percent discretionary funds for Administrative Salary increases, which would allow agencies to address compression problems and other hotspot issues.

If funded these recommendations would amount to a 5.21 percent payroll increase at a cost of \$24,382,800. Funding constraints will limit the Legislatures ability to fund any of the recommendations.

3.0 Programs: Human Resource Management

3.1 Administration

Recommendation The Analyst's recommends \$936,600.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	952,600	1,019,000	934,600	(84,400)
General Fund, One-time		(65,000)		65,000
Dedicated Credits Revenue		2,000	2,000	
Total	\$952,600	\$956,000	\$936,600	(\$19,400)
Expenditures				
Personal Services	836,700	874,600	880,600	6,000
Out of State Travel	7,600	3,400	3,400	
Current Expense	107,700	76,000	52,600	(23,400)
DP Current Expense	600	2,000		(2,000)
Total	\$952,600	\$956,000	\$936,600	(\$19,400)
FTE/Other				
Total FTE	12	12	12	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Administration provides leadership and financial, accounting, public information, legislative liaison and personnel services to the rest of the Department.

Administration coordinates and oversees all Human Resource functions at DHRM. It also plays a role in oversight and as a resource for the shops in the agencies. Additionally, it ensures an adequate ongoing budget to meet maintenance, operations, and staffing of the Human Resource Enterprise (HRE) project plus maintenance and operation of the Classification, Compensation, Benefits, Employment, and Selection statutory programs.

3.2 Classification & Employee Relations (CER)

Recommendation The Analyst recommends a budget of \$437,400.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	497,900	436,800	437,400	600
General Fund, One-time		10,000		(10,000)
Total	\$497,900	\$446,800	\$437,400	(\$9,400)
Expenditures				
Personal Services	489,700	434,600	425,900	(8,700)
In-State Travel	300	300	300	
Current Expense	7,300	10,300	10,600	300
DP Current Expense	600	1,600	600	(1,000)
Total	\$497,900	\$446,800	\$437,400	(\$9,400)
FTE/Other				
Total FTE	8	8	8	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program maintains the State's Classification and Pay Plan. Salary surveys identify occupations whose pay isn't aligned with competitors. This helps reduce turnover and training costs. Job audits assure proper job classification.

Classification and employee relations within DHRM include job classification, conflict resolution, performance management, corrective action and discipline, work/life balance, administration of the human resource information system (HRE), and the Fair Labor Standards regulations. These functions affect the working life of 24,000 employees in terms of salaries and working conditions.

Measure Title/Description	2001	2002
Benchmark Job Titles	Approx. 110	107
Official Job Titles	Approx. 2,500	2,441
Positions with Administrative Adjustments	0	0
Positions Reclassified	581	517
CER Training:		
Introduction to Conflict Resolution/Alternative Dispute Resolution for HR Staff		64
Introduction to Conflict Resolution/Alternative Dispute Resolution for Supervision		123
Basic HRE User Training	66	56
HRE Approval Training	5	17
Job & Position System Training	37	10
New Release Training		

Activities

In FY 2001, DHRM implemented a Title Reduction Project. This project was designed to streamline job classification system and reduce the number of career service titles by half. This will be the most comprehensive change to the state's job classification system in over 15 years. Further, this project will be completed in FY 2003 and will be carried out with no additional staff.

3.3 Recruitment, Training, and Development

Recommendation The Analyst recommends a budget of \$501,600.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	499,800	492,100	501,600	9,500
General Fund, One-time		10,000		(10,000)
Dedicated Credits Revenue	1,200			
Total	\$501,000	\$502,100	\$501,600	(\$500)
Expenditures				
Personal Services	483,200	491,900	488,800	(3,100)
In-State Travel	400	400	400	
Current Expense	15,000	8,300	10,000	1,700
DP Current Expense	2,400	1,500	2,400	900
Total	\$501,000	\$502,100	\$501,600	(\$500)
FTE/Other				
Total FTE	8	8	8	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose By request, Employment Services develops personnel recruitment and selection policies for state agencies. It also provides training and technical support on employee relations, fair employment practices, diversity and liability prevention including sexual harassment prevention training and drug testing.

Accomplishments The Department is currently developing a web-enabled recruitment system that will be called Utah Job Match. When completed, the systems will be improved, allowing users quick and easy access to job and recruitment information.

Measure Title/Description	2001	2002
Total of "B"* Schedule New Hires	2,,071	1,519
"B" Schedule Employees to Complete Probation during Fiscal Year	1,631	1,1533
"B" Schedule Employees to Terminate before Completing Probation during Fiscal Year	393	324
*"B" Schedule are Career Service Employees		

3.4 FLEX Benefits

Recommendation

The Analyst recommends a budget of \$40,000. This budget only includes FLEX funds not used by employees.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
Dedicated Credits Revenue	40,500	20,000	40,000	20,000
Beginning Nonlapsing	9,500	9,500		(9,500)
Closing Nonlapsing	(9,500)			
Total	\$40,500	\$29,500	\$40,000	\$10,500
Expenditures				
Current Expense	38,800	27,800	38,300	10,500
Other Charges/Pass Thru	1,700	1,700	1,700	
Total	\$40,500	\$29,500	\$40,000	\$10,500
FTE/Other				

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This Flex Benefits program was adopted by the State of Utah under Federal legislation to authorize the State to allow employees to deduct a portion of their biweekly paycheck to establish a pool of money which can be used to pay for day care, medical, and dental expenses. The money used from the employee flex benefit pool is free from FICA taxes and other taxes so it provides a small savings to each employee who elects to use the program. Savings also accrue to the State.

The day-to-day administration of the program has been transferred to PEHP, through DHRM still remains oversight.

Measure Title/Description	2000	2001
Flex\$ - Dependant Care		
Participation percent	6.2%	6.8%
Flex\$ - Dependant Care		
Participation percent	1.2%	1.4%
Total State FICA Dollars Saved	\$238,492	\$367,762

3.5 Human Resource Management Training

Recommendation The Analyst recommends a budget of \$300,000.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Dedicated Credits Revenue	183,800	260,000	300,000	40,000
Beginning Nonlapsing	74,400	55,700		(55,700)
Closing Nonlapsing	(55,700)			
Total	\$202,500	\$315,700	\$300,000	(\$15,700)
Expenditures				
Personal Services	13,600	13,600	15,000	1,400
In-State Travel	200	2,000	2,000	
Out of State Travel	300	1,600	1,600	
Current Expense	183,100	271,500	276,100	4,600
DP Current Expense	5,300	27,000	5,300	(21,700)
Total	\$202,500	\$315,700	\$300,000	(\$15,700)
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

This program is designed to reduce liability claims and improve management skills. It develops a Liability Master plan with Risk Management and presents Certified Public Manager (CPM) training.

This program is outlined in the Utah Code Annotated 67-19-6.

Measure Title/Description	2001	2002
CPM Graduates:		
From Course I	N/A	67
From Course II	N/A	56
From Course III (Entire CPM Program)	N/A	41
Employees Training Programs	N/A	
New Employee Orientation	N/A	81
Attendees at DHRM's Manager's Conference	345	332

3.6 Information Technology

Recommendation The Analyst recommends a budget of \$954,400.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,181,800	913,700	953,400	39,700
General Fund, One-time		15,000		(15,000)
Dedicated Credits Revenue	1,000	1,000	1,000	
Beginning Nonlapsing	31,000	92,200		(92,200)
Closing Nonlapsing	(92,200)			
Total	\$1,121,600	\$1,021,900	\$954,400	(\$67,500)
Expenditures				
Personal Services	750,000	755,400	758,200	2,800
In-State Travel	7,800	7,100		(7,100)
Out of State Travel			3,900	3,900
Current Expense	11,300	11,400	7,000	(4,400)
DP Current Expense	268,300	248,000	185,300	(62,700)
DP Capital Outlay	84,200			
Total	\$1,121,600	\$1,021,900	\$954,400	(\$67,500)
FTE/Other				
Total FTE	10	10	10	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Information Technology is used to provide automated systems for the enterprise Human Resource Management system. These systems provide support to all agencies relative to employee recruitment, employment, pay and all other employee related functions.

The human resource information system delivers information to the desktop rather than through the mainframe. It is designed so that information is only entered once and then flows to update multiple employee records. Managers and Human Resource Specialists have access to a variety of standard reports and the ability to do custom reports and searches in real time.

Activity

Measure Title/Description	2001	2002
Statewide Systems Supported by DHRM IT Staff*	7	9
Agencies Served	ALL	ALL
People with Security Access to State HR Systems	582	583
Employees Who Have Accessed Their Own Records		
Thru DHRM's Employee Profit	6,778	8,311

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	2,957,200	3,038,300	3,132,100	2,861,600	2,827,000
General Fund, One-time				(30,000)	
Dedicated Credits Revenue	248,800	224,300	226,500	283,000	343,000
Beginning Nonlapsing	162,400	85,400	114,900	157,400	
Closing Nonlapsing	(85,400)	(114,900)	(157,400)		
Total	\$3,283,000	\$3,233,100	\$3,316,100	\$3,272,000	\$3,170,000
Programs					
Administration	631,100	753,800	952,600	956,000	936,600
Classification and Employee Relations	620,000	605,800	497,900	446,800	437,400
Recruitment, Training and Development	641,400	585,100	501,000	502,100	501,600
Flex Benefits	22,000	39,600	40,500	29,500	40,000
Management Training	254,400	148,700	202,500	315,700	300,000
Information Technology	1,114,100	1,100,100	1,121,600	1,021,900	954,400
Total	\$3,283,000	\$3,233,100	\$3,316,100	\$3,272,000	\$3,170,000
Expenditures					
Personal Services	2,407,400	2,516,100	2,573,200	2,570,100	2,568,500
In-State Travel	2,400	400	8,700	9,800	2,700
Out of State Travel	12,900	22,600	7,900	5,000	8,900
Current Expense	453,200	345,200	363,200	405,300	394,600
DP Current Expense	317,600	341,000	277,200	280,100	193,600
DP Capital Outlay	71,800		84,200		
Capital Outlay	17,600				
Other Charges/Pass Thru	100	7,800	1,700	1,700	1,700
Total	\$3,283,000	\$3,233,100	\$3,316,100	\$3,272,000	\$3,170,000
FTE/Other					
Total FTE	40	40	38	38	38

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Career Service Review Board

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1.0 Career Service Review Board

Mission

The Career Service Review Board administers the State's grievance and appeals process. Its policy is to resolve grievances at the lowest possible managerial level. It has hearing officers, is a quasi-judicial body, and hears final administrative appeals. It has no jurisdiction over classification grievances and is required to send them to the Department of Human Resource Management.

The program has five-board members and two full-time staff.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	159,500		159,500
Total	<u>\$159,500</u>	<u>\$0</u>	<u>\$159,500</u>
Programs			
Career Service Review Board	159,500		159,500
Total	<u>\$159,500</u>	<u>\$0</u>	<u>\$159,500</u>
FTE/Other			
Total FTE	2		2

2.0 Issues: Career Service Review Board

2.1 Proposed Allocation of Reductions

Reductions in the Sixth Special Session for the Career Service Review Board were across the board in the amount of \$7,100. The Agency proposes to absorb the cut by reducing computer and printing purchases. If caseload growth slows, they will also have nonlapsing balances which they can use to mitigate the reduction.

2.2 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for Career Service Review Board be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

2.3 Caseload Growth

The Career Service Review Board is seeing workload increase as a result of the recent rounds of budget reductions. Both the nature and the time requirements for these cases have been increasing. This has resulted in expenditures to date being almost double the FY 2002 levels. In spite of the increased costs, the appeals procedure established by the Legislature appears to be effective and efficient.

3.1 Career Service Review Board Programs: Administration

Recommendation

The Analyst recommends a budget of \$159,500 in General Fund.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	169,300	159,500	159,500	
Beginning Nonlapsing	13,200	42,500		(42,500)
Closing Nonlapsing	(42,500)			
Total	\$140,000	\$202,000	\$159,500	(\$42,500)
Expenditures				
Personal Services	118,600	148,000	148,100	100
In-State Travel	100	600	600	
Current Expense	20,100	49,200	6,600	(42,600)
DP Current Expense	1,200	4,200	4,200	
Total	\$140,000	\$202,000	\$159,500	(\$42,500)
FTE/Other				
Total FTE	2	2	2	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Summary

The Career Service Review Board administers the State's grievance and appeals process. Its policy is to resolve grievances at the lowest possible managerial level. It has hearing officers, is a quasi-judicial body, and hears final administrative appeals. It has no jurisdiction over classification grievances and is required to send them to the Department of Human Resource Management.

The program has five board members and two full-time staff.

Performance Measures

Annual Grievance Caseload	Most Serious Types			Total Grievances
	Jurisdictional Hearings	Evidentiary Hearings	Appellate Reviews	
FY 1992	9	14	5	104
FY 1993	14	16	4	117
FY 1994	5	7	6	94
FY 1995	3	9	2	114
FY 1996	14	10	2	115
FY 1997	4	9	2	104
FY 1998	5	14	2	126
FY 1999	2	5	1	122
FY 2000	3	5	1	103
FY 2001	6	10	1	116
FY 2002	5	2	1	78

4.0 Additional Funding

4.1 Funding History

	2000 Actual	2001 Actual	2002 Actual	2003 Estimated*	2004 Analyst
Financing					
General Fund	160,600	164,600	169,300	159,500	159,500
Beginning Balance			13,200	42,500	
Closing Balance		(13,200)	(42,500)		
Lapsing Balance	(15,200)				
Total	\$145,400	\$151,400	\$140,000	\$202,000	\$159,500
Programs					
Career Service Review Board	145,400	151,400	140,000	202,000	159,500
Total	\$145,400	\$151,400	\$140,000	\$202,000	\$159,500
Expenditures					
Personal Services	121,300	124,600	118,600	148,000	148,100
In-State Travel	100	100	100	600	600
Current Expense		23,300	20,100	49,200	6,600
DP Current Expense	15,300	3,400	1,200	4,200	4,200
DP Capital Outlay	8,700				
Total	\$145,400	\$151,400	\$140,000	\$202,000	\$159,500
FTE/Other					
Total FTE	2	2	2	2	2

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

DCED - Administration

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1.0 DCED - Administration**Summary**

The Administration gives direction, public relations, personnel, accounting, research, data processing, and strategic planning support to the department.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	2,403,900	(32,000)	2,371,900
Total	<u>\$2,403,900</u>	<u>(\$32,000)</u>	<u>\$2,371,900</u>
Programs			
Executive Director	455,500		455,500
Information Technology	810,300	(32,000)	778,300
Administrative Services	1,138,100		1,138,100
Total	<u>\$2,403,900</u>	<u>(\$32,000)</u>	<u>\$2,371,900</u>
FTE/Other			
Total FTE	27		27

2.0 Issues: DCED - Administration

2.1 General Budget Statement

Last year, the Legislature approved a budget reduction to be absorbed by the Division of Information Technology in the Department of Administrative Services in the amount of \$2 million. This amount was not reduced from that budget, but was allocated to all state agencies to absorb a proportionate share. The General Fund amount allocated to the Department of Community and Economic Development (DCED) was \$31,200. A separate adjustment was made to the DCED for retirement rate adjustments totaling \$800.

2.2 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for DCED Administration be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

2.3 Sixth Special Session Reductions

An ongoing reduction of \$106,800 was made in the Sixth Special Session. For FY 2003, Administration proposes to use nonlapsing balances in Information Technology to mitigate the impacts of the reductions. In FY 2004, the Administration intends to reduce support staff in Administrative Services by the \$106,800.

3.0 Programs - Administration

3.1 Executive

Recommendation

The Analyst recommends a budget of \$455,500.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	574,800	455,500	455,500	
Total	<u>\$574,800</u>	<u>\$455,500</u>	<u>\$455,500</u>	<u>\$0</u>
Expenditures				
Personal Services	517,900	417,400	417,400	
In-State Travel	7,000	7,000	7,000	
Out of State Travel	3,800	3,800	3,800	
Current Expense	40,300	21,800	21,800	
DP Current Expense	(3,700)	5,500	5,500	
DP Capital Outlay	9,500			
Total	<u>\$574,800</u>	<u>\$455,500</u>	<u>\$455,500</u>	<u>\$0</u>
FTE/Other				
Total FTE	6	6	6	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The director and his staff lead and coordinate the department's work with the governor, other state agencies, and the public. The Executive Section coordinates the efforts of the various divisions of the department in communicating the Utah message.

Performance Measures

The performance measures of each program of the department are governed by the guiding principles established by the department director:

- ▶ We are servants of the people and treat them as valued customer
- ▶ We value teamwork
- ▶ We plan ahead, accomplish goals and think strategically
- ▶ While we're at it, let's have fun

3.2 Information Technology

Recommendation The Analyst recommends a budget of \$778,300.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	966,100	810,300	778,300	(32,000)
Beginning Nonlapsing	41,800	125,700		(125,700)
Closing Nonlapsing	(117,700)			
Total	\$890,200	\$936,000	\$778,300	(\$157,700)
Expenditures				
Personal Services	698,100	600,800	600,000	(800)
Out of State Travel	4,300	4,300	4,300	
Current Expense	27,900	27,800	27,800	
DP Current Expense	160,200	303,100	146,200	(156,900)
Other Charges/Pass Thru	(300)			
Total	\$890,200	\$936,000	\$778,300	(\$157,700)
FTE/Other				
Total FTE	12	10	10	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Information Technology Organization is responsible to provide cost effective and reliable technology services to the Department. This includes: network services; application development and delivery; internet and web services and customer desk top support.

Responsibilities include: maintenance and support of all computer room backend services: LAN and WAN connectivity; web services and delivery; database support and maintenance; application development and support and email services.

3.3 Administrative Services

Recommendation The Analyst recommends a budget of \$1,138,100.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	1,117,800	1,138,100	1,138,100	
Beginning Nonlapsing	8,900			
Closing Nonlapsing	(8,000)			
Total	<u>\$1,118,700</u>	<u>\$1,138,100</u>	<u>\$1,138,100</u>	<u>\$0</u>
Expenditures				
Personal Services	657,000	754,100	753,800	(300)
In-State Travel	2,700	2,700	2,700	
Out of State Travel	3,900	3,900	3,900	
Current Expense	452,700	375,000	375,300	300
DP Current Expense	2,400	2,400	2,400	
Total	<u>\$1,118,700</u>	<u>\$1,138,100</u>	<u>\$1,138,100</u>	<u>\$0</u>
FTE/Other				
Total FTE	12	11	11	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

Administrative Services coordinates and facilitates the business functions of the department. The Administrative team provides the department's public relations, research, personnel, budget, accounting, and internal auditing services.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	2,311,700	2,682,300	2,658,700	2,403,900	2,371,900
Beginning Nonlapsing	168,100	35,200	50,700	125,700	
Closing Nonlapsing	(35,200)	(50,700)	(125,700)		
Total	\$2,444,600	\$2,666,800	\$2,583,700	\$2,529,600	\$2,371,900
Programs					
Executive Director	488,600	577,100	574,800	455,500	455,500
Information Technology	1,012,500	966,500	890,200	936,000	778,300
Administrative Services	943,500	1,123,200	1,118,700	1,138,100	1,138,100
Total	\$2,444,600	\$2,666,800	\$2,583,700	\$2,529,600	\$2,371,900
Expenditures					
Personal Services	1,518,100	1,814,700	1,873,000	1,772,300	1,771,200
In-State Travel	7,200	8,000	9,700	9,700	9,700
Out of State Travel	28,500	25,700	12,000	12,000	12,000
Current Expense	504,400	527,300	520,900	424,600	424,900
DP Current Expense	278,000	246,000	158,900	311,000	154,100
DP Capital Outlay	108,400	45,100	9,500		
Other Charges/Pass Thru			(300)		
Total	\$2,444,600	\$2,666,800	\$2,583,700	\$2,529,600	\$2,371,900
FTE/Other					
Total FTE	31	32	30	27	27

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Incentive Funds

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Industrial Assistance Fund

Summary

The Industrial Assistance Fund was established by the 1991 Legislature as an incentive for extraordinary economic growth within the State. Since then the fund has been amended to provide rural communities broader access to the fund. The fund provides incentive loans that become grants through earned credits. Credits can be earned in three programs: the Rural Loan Program, the Targeted Industry Loan Program or the Corporate Loan Program.

The program also manages the State's tax exempt bonding authority called Private Activity Bond Authority, and the Community and Economic Development Project Fund.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
Dedicated Credits Revenue	160,000		160,000
GFR - Industrial Assistance	186,600		186,600
Total	<u>\$346,600</u>	<u>\$0</u>	<u>\$346,600</u>
Programs			
Incentive Funds	346,600		346,600
Total	<u>\$346,600</u>	<u>\$0</u>	<u>\$346,600</u>
FTE/Other			
Total FTE	3		3

2.0 Issues: Incentive Funds

2.1 Sixth Special Session Additions

During the Sixth Special Session the Legislature redirected \$1,000,000 from the Industrial Assistance Fund to provide a grant for a Health Informatics firm considering a move to Utah. The following intent was attached:

It is the intent of the Legislature that \$1,000,000 be used for economic ecosystems in Health Informatics.

2.2 Sixth Special Session Reductions

During the Sixth Special Session the Legislature redirected \$1,072,000 in funds set aside for Industrial Assistance Fund replenishment to other state uses.

2.3 Industrial Assistance Fund Reallocation

In the 2002 General Session the Legislature passed the following intent:

It is the intent of the Legislature that any proceeds in excess of a total of \$4,000,000 paid to the state from the liquidation of the Utah Technology Finance Corporation whether these proceeds come from cash, sale of real property, or collection of accounts receivable shall be deposited into the Industrial Assistance Fund.

The Analyst recommends continuing this intent for FY 2004.

As part of a budget reduction in the Incentive Fund Line the committee reallocated \$113,600 of the liquidated UTFC funds (\$99,700 Manufacturers Extension Partnership, 13,900 Utah Humanities Council). The Analyst recommends continuing the reallocation for an additional year until funds run out. At that time the committee will have to readdress the funding needs for these two programs,

Additionally, the Analyst recommends using \$450,000 of the liquidated funds to continue the Utah Technology Alliance within the Division of Business Development.

All funds appropriated from the liquidation of UTFC should be considered one-time for FY 2004.

3.0 Programs: Industrial Assistance Fund

3.1 Administration

Recommendation

The Analyst recommends a budget of \$346,600.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
Dedicated Credits Revenue	167,300	160,000	160,000	
GFR - Industrial Assistance	230,900	186,600	186,600	
Lapsing Balance	(3,800)			
Total	\$394,400	\$346,600	\$346,600	\$0
Expenditures				
Personal Services	234,300	208,500	209,000	500
In-State Travel	1,500	4,500	4,500	
Out of State Travel	4,600	4,600	4,600	
Current Expense	107,200	127,200	126,700	(500)
DP Current Expense	1,800	1,800	1,800	
Other Charges/Pass Thru	45,000			
Total	\$394,400	\$346,600	\$346,600	\$0
FTE/Other				
Total FTE	4	3	3	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The Industrial Assistance Fund provides “loans and other financial assistance related to the establishment, relocation of development of industry in Utah” emphasizing high paying jobs. The program serves financially strong companies with proven track records that can generate \$10,000,000 in additional expenditures annually for five years. The statute slackens requirements for companies that locate in “economically disadvantaged rural areas” which include 23 of Utah’s 29 counties.

The Annual interest rate for these loans is 10 percent and the loans must be paid back in cash or credits. Credits are based on factors determined by the administrator and can include the number of Utah jobs created, increased economic activity in Utah, or other events and activities that occur as a result of the loan.

At the end of the fiscal year, after transferring the General Fund surplus to the Budget Reserve Account as provided in Section 63-38-2.5, any additional unrestricted, undesignated General Fund balance, is intended to be earmarked to the Industrial Assistance Fund in an amount equal to the credits accrued. These credits are not available until appropriated by the Legislature. The Legislature chose to redirect these credits to general use for FY 2003 in the amount of \$1,072,000. The Legislature also redirected \$1,000,000 in Incentive Funds in the Sixth Special Session to fund a grant to a Health Informatics Incentive Program.

Intent Language

The Analyst recommends continuation of the intent language identified below.

It is the intent of the Legislature that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

The Legislature intends to deposit into the Industrial Assistance Fund any proceeds in excess of \$4,000,000 paid to the state from the liquidation of the Utah Technology Finance Corporation whether these proceeds come from cash, sale of real property, or collection of accounts receivable.

4.0 Additional Information

4.1 Funding History

	2000 Actual	2001 Actual	2002 Actual	2003 Estimated*	2004 Analyst
Financing					
General Fund	820,500				
General Fund, One-time		1,750,000			
Dedicated Credits Revenue	78,600	108,800	167,300	160,000	160,000
GFR - Industrial Assistance	204,900	220,800	230,900	186,600	186,600
Capital Access		326,000			
Transfers	(820,500)				
Closing Nonlapsing		(1,366,600)			
Lapsing Balance	(60,200)	(43,700)	(3,800)		
Total	\$223,300	\$995,300	\$394,400	\$346,600	\$346,600
Programs					
Incentive Funds	223,300	285,900	394,400	346,600	346,600
Custom Fit		709,400			
Total	\$223,300	\$995,300	\$394,400	\$346,600	\$346,600
Expenditures					
Personal Services	141,500	195,700	234,300	208,500	209,000
In-State Travel	2,300	3,100	1,500	4,500	4,500
Out of State Travel	2,800	5,500	4,600	4,600	4,600
Current Expense	39,700	40,100	107,200	127,200	126,700
DP Current Expense	12,000	3,500	1,800	1,800	1,800
Other Charges/Pass Thru	25,000	747,400	45,000		
Total	\$223,300	\$995,300	\$394,400	\$346,600	\$346,600
FTE/Other					
Total FTE	2	4	4	3	3

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Division of Business and Economic Development

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

Division of Business & Economic Development (DBED)**Summary**

These programs promote and develop Utah's economy.

	Analyst FY 2004	Analyst FY 2004	Analyst FY 2004
	Base	Changes	Total
Financing			
General Fund	7,353,500	(125,000)	7,228,500
Federal Funds	400,000		400,000
Dedicated Credits Revenue	30,100		30,100
GFR - Industrial Assistance	99,700		99,700
Transfers	60,000		60,000
Total	\$7,943,300	(\$125,000)	\$7,818,300
Programs			
Administration	860,800		860,800
Film Commission	616,900		616,900
International Development	1,035,200		1,035,200
Business Development	2,479,500		2,479,500
Centers of Excellence	1,915,000		1,915,000
Special Opportunities	47,900		47,900
Science and Technology	988,000	(125,000)	863,000
Total	\$7,943,300	(\$125,000)	\$7,818,300
FTE/Other			
Total FTE	36		36

2.0 Issues DBED

2.1 Reorganization

The Division of Business and Economic Development has recently gone through an internal reorganization. In order to fund the Utah Technology Alliance and the Governor's Trade Missions within existing budget the Division has consolidated the National, Business and Procurement Programs into a new Program called Business Development. The new business development program will have two areas of focus, Metro Business and Rural Development. The Division has also consolidated the Technology and Utah Technology Alliance Programs into a Technology and Science Program.

2.2 One-Time Funding for Technology and Science

The Analyst recommends using \$450,000 of the liquidated UTFC funds to continue the Utah Technology Alliance program for another year. In FY 2005 funds will run out and the Committee will want to consider the viability of the program and whether or not in merits consideration for General Fund appropriation.

The Analyst also recommends funding the MEP program from the liquidated funds for another year, at which time they will no longer be available. This would require committee consideration of a building block to continue the program in FY 2005.

2.3 One-time funding replaced in original budgets

In the 2002 General Session the Committee reduced several line items on a one-time basis to fund two conferences within DBED (The High Tech Conference and the Coronet Conference). This funding has been reallocated to the appropriate budgets for FY 2004 (State Fair \$50,000, Zoos \$75,000, Summer Games \$25,000 and Defense Conversion \$100,000). The Defense Conversion and Summer Games reduction were reallocated to the Administration program within DBED. The Committee may choose to keep the restorations in place or reallocate the reductions to other critical Committee needs.

2.4 Sixth Special Session Reductions

An ongoing reduction of \$326,300 was made in the Sixth Special Session. In lieu of across the board reductions the Agency proposes the following redistribution of cuts: (\$11,800 Sports Commission, \$123,000 advertising, \$15,500 small business development center funding, \$39,000 federal match reduction, \$78,000 technology support reduction, \$49,000 special initiatives). The Analyst, recommends adopting the agency proposal as it will minimize the impacts on core operations.

2.5 Sixth Special Session Additions

During the Sixth Special Session the Legislature redirected \$1,000,000 from the Industrial Assistance Fund to provide a grant for a Health Informatics firm considering a move to Utah. Redirected funding was placed in the Administration budget of DBED. The following intent was attached:

It is the intent of the Legislature that \$1,000,000 be used for economic ecosystems in Health Informatics.

2.6 Legislative Intent Language

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session

It is the intent of the Legislature that funding for the Division of Business and Economic Development be nonlapsing.

3.1 DBED – Administration

Recommendation The Analyst recommends a budget of \$860,800.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,923,100	737,800	860,800	123,000
General Fund, One-time		1,000,000		(1,000,000)
Beginning Nonlapsing	1,493,300	48,000		(48,000)
Closing Nonlapsing	(12,500)			
Total	\$3,403,900	\$1,785,800	\$860,800	(\$925,000)
Expenditures				
Personal Services	517,200	301,700	303,100	1,400
In-State Travel	22,800	6,200	6,200	
Out of State Travel	53,200	22,000	22,000	
Current Expense	376,900	165,700	217,800	52,100
DP Current Expense	18,400	13,200	9,700	(3,500)
Other Charges/Pass Thru	2,415,400	1,277,000	302,000	(975,000)
Total	\$3,403,900	\$1,785,800	\$860,800	(\$925,000)
FTE/Other				
Total FTE	6	4	4	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Division of Business & Economic Development (DBED) Administration provides leadership to the programs of the Division in accomplishing the mission of the Department. Administration also provides fiscal guidance and support to the programs. Administration administers the following programs:

- ▶ Hill Air Force Base Right-of-Way Program - This program is concluding the condemnation of land adjacent to the Air Force base. The purpose is to prevent commercial and residential construction in the flight paths of military aircraft.
- ▶ Defense Conversion Program - The program provides support to Utah's effort with our Congressional Delegation to maintain support of our military base.
- ▶ Special Opportunity Fund - This program provides funding to the Department to enable the State to take advantage of economic opportunities.
- ▶ Post Olympic related programs - They provide legislative funding to programs such as the Utah Sports Commission.

Activity	The Division insures maintenance of an efficient and friendly business climate in Utah, provides for the recruiting of key businesses to Utah, assists Utah businesses in their expansion efforts, and coordinates business development efforts throughout the State.
Accomplishments	Each program has continually exceeded the set goals and has provided an efficient effort in recruiting business, helping local business in their expansion efforts, providing employment opportunities to the Utah Film industry, and by substantially expanding Utah's high tech industry.
Performance	Success is determined as all programs within the Division exceed projected outputs and economic continuity is maintained throughout the State, and Legislative intent and expectations are accomplished.

3.2 Film Commission

Recommendation

The Analyst recommends a budget of \$616,900.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	737,300	611,900	611,900	
Dedicated Credits Revenue		5,000	5,000	
Beginning Nonlapsing	102,900	108,600		(108,600)
Closing Nonlapsing	(134,400)			
Total	\$705,800	\$725,500	\$616,900	(\$108,600)
Expenditures				
Personal Services	386,800	384,100	354,500	(29,600)
In-State Travel	8,400	10,700	10,700	
Out of State Travel	14,800	28,600	28,600	
Current Expense	218,300	295,100	216,100	(79,000)
DP Current Expense	7,300	7,000	7,000	
Other Charges/Pass Thru	70,200			
Total	\$705,800	\$725,500	\$616,900	(\$108,600)
FTE/Other				
Total FTE	7	7	6	(1)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Utah Film Commission promotes Utah as an attractive and viable on-location production center to the expanding global visual industry. The Commission facilitates and maintains business development by promoting the creation of jobs for local Utah support services and professionals in the motion picture, television, commercial, corporate, and print advertising/production industries.

The Film Commission is working with the Digital Media Ecosystem to encourage the expansion of digital technology, digital production and post production industries in the State. The Commission is also working with Salt Lake Community College and the Digital Media Institute to help develop and access curriculum being created to facilitate job training in the motion picture and digital industries.

Activity

The Utah Film Commission markets the State to producers by the following means:

1. Innovative and alternative media campaigns, i.e. interactive CD-ROM and web based promotions, display advertising presence in special editions of trade magazines, promotional materials, on-site sales calls to prospective clients in the industry centers, and by hosting receptions and activities that are creative, relevant, and appealing to the production industry.

2. Assemble quality information in a timely manner for clients, which include photo presentations, and digitally delivered information.
3. Promoting public-private awareness of the positive economic impact provided by the motion picture industry, the role of the State Film commission program in facilitation on-location filming, and building strategic alliances with external agencies and public non-profit organizations that will maximize Utah's exposure.

Accomplishments

Film production in the State of Utah for FY 2002 exceeded \$100 million in contribution to the State's economy, and remains in the top ten locations in the United States. The Sundance Film Festival contributed an estimated \$40 million to the State's economy.

Performance

Performance is measured by the total number of production days in the state, total production dollars spent in the state, and the number of projects shot in the state.

3.3 International Development

Recommendation The Analyst recommends a budget of \$1,035,200.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,221,300	1,032,400	1,025,200	(7,200)
Dedicated Credits Revenue		10,000	10,000	
Beginning Nonlapsing	17,300			
Closing Nonlapsing	(16,300)			
Total	\$1,222,300	\$1,042,400	\$1,035,200	(\$7,200)
Expenditures				
Personal Services	709,500	559,800	534,900	(24,900)
In-State Travel	17,700	18,500	18,500	
Out of State Travel	34,700	55,200	55,200	
Current Expense	365,200	328,400	328,700	300
DP Current Expense	29,300	29,300	29,300	
Other Charges/Pass Thru	65,900	51,200	68,600	17,400
Total	\$1,222,300	\$1,042,400	\$1,035,200	(\$7,200)
FTE/Other				
Total FTE	9	7	7	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose The International Development Program is responsible for Utah's economic growth by providing the following:

- ▶ Export assistance to Utah's companies in developing and expanding market share in foreign markets,
- ▶ Help in attracting foreign investment and corporate expansion into the Utah market place,
- ▶ Direct assistance to the Governor's Office in matters related to foreign affairs,
- ▶ Opportunities to capitalize on international opportunities made possible through the 2002 Olympic Winter Games.

Activity The Division champions a friendly international business environment helping both urban and rural Utah companies compete in the global marketplace. They conduct trade shows, trade missions and trade seminars at home and abroad. They focus on economy of scale trade development, reducing the threshold and accelerating foreign market development for Utah companies. The International program coordinates with the Olympic effort in both the marketing of Utah products and international promotions with the Olympic committee. They are currently involved in the Governor's Trade Missions which are intended to draw targeted markets to the state.

Accomplishments

The program has established Utah-friendly business promotion networks in over 27 major countries throughout the world providing assistance to over 1,500 Utah companies in the global marketplace.

Performance

Performance measurements include number of companies assisted, number of trade shows and trade missions conducted, seminars conducted, and number of new companies exporting to the state.

3.4 Business Development

Recommendation The Analyst recommends a budget of \$2,479,500.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	3,077,800	2,420,700	2,069,500	(351,200)
Federal Funds	449,700	600,000	400,000	(200,000)
Dedicated Credits Revenue	4,100	54,600	10,000	(44,600)
Beginning Nonlapsing	714,300	304,100		(304,100)
Closing Nonlapsing	(283,400)			
Total	\$3,962,500	\$3,379,400	\$2,479,500	(\$899,900)
Expenditures				
Personal Services	1,352,700	1,101,400	1,102,600	1,200
In-State Travel	26,100	40,600	40,600	
Out of State Travel	64,800	68,000	68,000	
Current Expense	1,189,400	873,000	474,900	(398,100)
DP Current Expense	228,300	624,500	121,500	(503,000)
DP Capital Outlay	7,800			
Capital Outlay	20,500			
Other Charges/Pass Thru	1,072,900	671,900	671,900	
Total	\$3,962,500	\$3,379,400	\$2,479,500	(\$899,900)
FTE/Other				
Total FTE	19	14	14	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Utah Business Development Program is charged with:

1. Recruiting quality businesses to the State with emphasis on those areas experiencing economic difficulties,
2. Coordinating available incentive packages to expanding companies,
3. Assisting state-wide business in their expansion efforts,

Utah has a growing need to provide family sustaining jobs which necessitates a continued effort to promote local business expansion as well as selective recruiting of companies that benefit Utah. Metropolitan areas are fully employed which requires a high pay scale to keep qualified people. At the same time rural communities struggle to meet the infrastructure needs of relocating companies.

The program has reorganized to focus on the areas listed below:

1. Metro Business
2. Rural Development
3. National Development

Rural Development

The Rural Development section is charged with promoting business and economic development throughout the 25 designated rural counties. Their goal is to ensure that economic benefits are spread statewide. Many of the rural counties suffer from low wages and high unemployment. Statutory responsibilities include Enterprise Zone administration, Recycle Zone administration, Pioneer Communities administration.

The program focuses on the Smart Site development, rural heritage development, rural industrial development, and rural outreach.

Metro Business Development

The role of Metro Business Development is to identify opportunities and coordinate resources for the benefit of existing Utah businesses. Metro Business assists companies with expansion, retention, and procurement technical assistance issues.

National Business Development

The National Business Development program is responsible for recruiting new or expanding businesses to the State. National Development markets the State through print advertising, trade shows, business trips to key cities and special events aimed at targeted business and clients.

Activity

The above purposes are accomplished through identifying and responding to company needs by personal visits and counseling, attending national and local trade shows with targeted Utah companies, and recruiting national corporations for expansion through seminars, media, partnerships, associations and the internet.

Performance

Program performance is measured by the following criteria: total companies relocating or expanding into the State, job created, site visits conducted, number of new clients, responses received from ad campaigns, proposals sent to investigating companies, research packets sent, and general packets sent.

3.5 Technology and Science

Recommendation

The Analyst recommends a budget of \$863,000.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,034,500	587,800	698,200	110,400
General Fund, One-time		1,000,000		(1,000,000)
Dedicated Credits Revenue		5,100	5,100	
GFR - Industrial Assistance		99,700	99,700	
Transfers		60,000	60,000	
Transfers - Em Svcs & Home Sec		400,900		(400,900)
Beginning Nonlapsing	1,096,200			
Closing Nonlapsing	(415,000)			
Total	\$1,715,700	\$2,153,500	\$863,000	(\$1,290,500)
Expenditures				
Personal Services	438,000	463,800	347,100	(116,700)
In-State Travel	5,300	10,400	6,800	(3,600)
Out of State Travel	56,300	55,100	20,500	(34,600)
Current Expense	678,800	867,500	135,600	(731,900)
DP Current Expense	25,600	11,100	8,300	(2,800)
Other Charges/Pass Thru	511,700	745,600	344,700	(400,900)
Total	\$1,715,700	\$2,153,500	\$863,000	(\$1,290,500)
FTE/Other				
Total FTE	5	7	5	(2)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Office of Technology and Science oversees all State related technology initiatives and directs the technology related programs within the Division of Business and Economic Development. As it administers the Centers of Excellence Program, it coordinates emerging technologies from the Universities within the State with Utah businesses. This is accomplished with the aid of the University technology transfer centers, the Small Business Centers, and the Wayne Brown Institute. They also coordinate the Utah Technology Alliance and the Technology@Breakfast outreach program.

Activity

The Technology Development Program provides staff to the Centers of Excellence board through the annual cycle which includes training of University staff in Centers funding, facilitating the awarding of Centers grants, tracking of grants, and verifying completion of the contracts. Technology Development is also responsible for the coordination of high tech issues with the State Science Advisor's Office.

Accomplishments

The program has successfully provided staffing to meet the objectives of the Centers of Excellence Program

Performance

Performance is measured by the dollar value of contracts, spin-offs, patents, companies, and Utah jobs created by the commercialization of technology as it emerges from our Universities.

3.6 Centers of Excellence

Recommendation The Analyst recommends a budget of \$1,915,000.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	2,000,000	1,915,000	1,915,000	
Total	\$2,000,000	\$1,915,000	\$1,915,000	\$0
Expenditures				
Other Charges/Pass Thru	2,000,000	1,915,000	1,915,000	
Total	\$2,000,000	\$1,915,000	\$1,915,000	\$0
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose The Centers of Excellence program is responsible for the commercialization of technologies as they emerge from research performed by the Universities throughout the State. It provides matching funds for inter-disciplinary research and development performed by the Universities. The program works with the technology transfer centers at the Universities to commercialize the research through either established Utah business or through the creation of new business.

Activity During FY 2001 the Centers Program issued a \$1.87 million in grants to 16 active centers for use in bringing significant new technologies closer to the marketplace. Six new centers were established and funded, and 10 existing centers received continued funding.

Accomplishments The 16 centers received matching funds of \$20.4 million resulting in a match/fund ratio of 10.9.

Performance Performance is measured by the number of companies created, number of new Utah jobs generated by emerging technologies, number of patents commercialized, and the amount of match provided to the Universities associated with this program.

3.7 Special Opportunities

Recommendation

The Analyst recommends a budget of \$47,900.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	50,000	47,900	47,900	
Beginning Nonlapsing	56,200			
Total	<u>\$106,200</u>	<u>\$47,900</u>	<u>\$47,900</u>	<u>\$0</u>
Expenditures				
Out of State Travel	1,500			
Current Expense	99,700			
Other Charges/Pass Thru	5,000	47,900	47,900	
Total	<u>\$106,200</u>	<u>\$47,900</u>	<u>\$47,900</u>	<u>\$0</u>
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

These funds allow the Division to take advantage of unforeseen economic development opportunities. The Legislature restricted the use of these funds from sports activities.

Intent Language

The Analyst recommends the following intent language.

It is the intent of the Legislature that these funds be used only for economic development opportunities.

4.0 Additional Funding

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	8,012,200	9,262,800	10,044,000	7,353,500	7,228,500
General Fund, One-time				2,000,000	
Federal Funds	280,600	403,300	449,700	600,000	400,000
Dedicated Credits Revenue	28,800	16,300	4,100	74,700	30,100
GFR - Industrial Assistance		300,000		99,700	99,700
Olympic Special Revenue	400,000	500,000			
Transfers				60,000	60,000
Transfers - Em Svcs & Home Sec				400,900	
Beginning Nonlapsing	2,853,300	3,139,900	3,480,200	460,700	
Closing Nonlapsing	(2,601,900)	(3,480,200)	(861,600)		
Lapsing Balance	(195,200)				
Total	\$8,777,800	\$10,142,100	\$13,116,400	\$11,049,500	\$7,818,300
Programs					
Administration	1,116,600	2,062,700	3,403,900	1,785,800	860,800
Local Economic Development	172,200	56,300			
Film Commission	659,900	721,600	705,800	725,500	616,900
International Development	1,198,800	1,488,900	1,222,300	1,042,400	1,035,200
Advertising and Promotion	154,500				
Business Development	2,645,800	3,017,000	3,962,500	3,379,400	2,479,500
Centers of Excellence	2,025,300	2,000,000	2,000,000	1,915,000	1,915,000
Office of Veteran's Affairs	260,800				
Special Opportunities	32,500	68,000	106,200	47,900	47,900
Science and Technology	511,400	727,600	1,715,700	2,153,500	863,000
Total	\$8,777,800	\$10,142,100	\$13,116,400	\$11,049,500	\$7,818,300
Expenditures					
Personal Services	3,183,500	3,316,200	3,404,200	2,810,800	2,642,200
In-State Travel	77,400	89,800	80,300	86,400	82,800
Out of State Travel	221,900	212,000	225,300	228,900	194,300
Current Expense	1,427,500	3,250,000	2,928,300	2,529,700	1,373,100
DP Current Expense	112,500	113,800	308,900	685,100	175,800
DP Capital Outlay	13,700		7,800		
Capital Outlay			20,500		
Other Charges/Pass Thru	3,741,300	3,144,800	6,141,100	4,708,600	3,350,100
Operating Transfers		15,500			
Total	\$8,777,800	\$10,142,100	\$13,116,400	\$11,049,500	\$7,818,300
FTE/Other					
Total FTE	52	46	46	39	36

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

Program		FY 2002 Actual	FY 2003 Estimated	FY 2004 Analyst
Isolated Empire Rail Study	Federal	202,400		
	Required State Match			
Rural Smart Site Equipment	Federal		300,000	300,000
	Required State Match		300,000	30,000
DOD Cooperative Agreement	Federal	247,300	300,000	300,000
	Required State Match	518,700	481,400	481,600
	Total	\$968,400	\$1,381,400	\$1,111,600

Office of the
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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Travel Development

Contents:

- 1.0 Summary
- 2.0 Issues
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- 4.0 Additional Information

1.0 Summary: Travel Council**Summary**

The Council develops the State's economy through tourism.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	3,539,500		3,539,500
Transportation Fund	118,000		118,000
Dedicated Credits Revenue	254,700		254,700
Total	\$3,912,200	\$0	\$3,912,200
Programs			
Travel Administration	1,508,500		1,508,500
Internal Development	1,582,900		1,582,900
External Development	820,800		820,800
Total	\$3,912,200	\$0	\$3,912,200
FTE/Other			
Total FTE	24		24

2.0 Issues: Travel Council

2.1 Sixth Special Session Reductions

An ongoing reduction of \$157,200 was made in the Sixth Special Session. The Division proposes to reduce Rural Technology assistance, and advertising in order to absorb the reductions.

2.2 Tourism Marketing Performance

The Tourism Marketing Performance Fund law requires that if the department determines the industry's economic growth exceeds the previous year's taxable sales by 4 percent, the Legislature shall appropriate \$200,000 for the upcoming fiscal year. This year the industry has not met the 4 percent target. Therefore, no funding is being recommended.

2.3 Measuring the Success of the Olympics

Travel Development has conducted three studies measuring the effects of the Olympics on Utah's travel industry. The objectives of the research project were as follows: 1. Explore the dynamics of consumer awareness and image regarding Utah for improved targeting and messaging, 2. Probe consumer awareness for impressions of the Olympics that can be recalled in future messages. All study results show the perception of Utah as a tourist destination has improved. Results of these studies can be found on the Travel Department web page (<http://travel.utah.gov/researchplanning.html>)

2.4 Legislative Intent Language

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session

It is the intent of the Legislature that funding for Travel Development be nonlapsing.

3.0 Programs: Travel Council

3.1 Strategic Development - Administration

Recommendation The Analyst recommends a budget of \$1,508,500.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	3,908,200	1,508,500	1,508,500	
General Fund, One-time		1,500,000		(1,500,000)
Beginning Nonlapsing	17,000	102,000		(102,000)
Closing Nonlapsing	(113,200)			
Total	\$3,812,000	\$3,110,500	\$1,508,500	(\$1,602,000)
Expenditures				
Personal Services	379,800	391,300	392,100	800
In-State Travel	16,500	16,300	16,300	
Out of State Travel	22,300	22,000	22,000	
Current Expense	3,393,300	2,534,500	982,000	(1,552,500)
DP Current Expense	100			
Other Charges/Pass Thru		146,400	96,100	(50,300)
Total	\$3,812,000	\$3,110,500	\$1,508,500	(\$1,602,000)
FTE/Other				
Total FTE	6	6	6	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Strategic Development Program provides direction to the Division in implementing the agency's mission plan.

The following components are addressed within this program:

1. Applied research and long-term planning which supports the agency decision making process. The objectives establish strategic direction and leadership, increase cohesion among tourism constituents, strengthen commitment and trust among legislators, local governments, and citizens, provide economic rationale for tourism programs and development, provide framework for local planning, develop framework for outcome and performance measures, and assist the division.
2. Rural Technology Assistance provides stable and diversified economic growth by adding economic value to tourism destinations. Local matching fund grants assist in the technological development of tourism related facilities and attractions.
3. Advertising is the primary vehicle of carrying out the mission of the Division. The purpose is to position the Utah! Brand, and create awareness of Utah as a travel destination.

4. Administer operational elements of the division in including management, office support, transportation, Board of Commissioners, budget and accounting, information technology

**Tourism Marketing
Performance**

The Tourism Marketing Performance Fund is found in UCA 9-2-1701 to 1705. It states that if the department determines the industry's economic growth exceeds the previous year's taxable sales by 4 percent, the Legislature shall appropriate \$200,000 for the upcoming fiscal year. This year the industry has not met the 4 percent target. Therefore, no funding is being recommended.

The code also requires that 75 percent be spent on marketing and 25 percent on infrastructure. The Analyst recommends that the portion dedicated to infrastructure be spent on state infrastructure needs and not on "Destination Development" type projects since the Legislature discontinued that program.

Activities

	FY 2002	FY 1999	FY 1998
Website Visits	2,400,000	2,000,000	1,700,000
Page Views	16,400,000	9,800,000	690,000
Phone Calls	57,152	65,412	52,000
Welcome Center Visitors	731,583	73,3165	763,847
Mailed Fulfillment	104,615	129,755	146,276

The table above shows significant use of the internet with corresponding decreases in mailed fulfillment.

3.2 Internal Development

Recommendation The Analyst recommends a budget of \$1,582,900.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,562,100	1,210,200	1,210,200	
Transportation Fund	118,000	118,000	118,000	
Dedicated Credits Revenue	259,300	254,700	254,700	
General Fund Restricted	484,600			
Closing Nonlapsing	11,500			
Total	\$2,435,500	\$1,582,900	\$1,582,900	\$0
Expenditures				
Personal Services	700,500	639,800	639,700	(100)
In-State Travel	9,400	2,600	2,600	
Out of State Travel	4,000	2,800	2,500	(300)
Current Expense	1,131,100	629,600	629,800	200
DP Current Expense	19,900	19,900	20,300	400
Other Charges/Pass Thru	570,600	288,200	288,000	(200)
Total	\$2,435,500	\$1,582,900	\$1,582,900	\$0
FTE/Other				
Total FTE	10	13	13	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The program provides materials and assistance to the traveling public, the tourism industry and governmental agencies.

1. **Publications:** Produces accurate, timely and attractive electronic and printed guides, brochures, calendars and other publications to entice travelers to Utah and provide accurate travel information to visitors and residents. The major publications are www.utah.com, Utah Travel Guide, Utah Accommodations Guide, Utah Scenic Calendar, and a consumer/trade brochure.
2. **Information Services/Distribution:** Provides telephone and walk-in information assistance, data entry, and mail fulfillment for service to industry and citizens. They package, label, ship, mail and otherwise distribute travel information materials in a timely and efficient manner, maintain warehouse and store room supplies, provide utility messenger service as needed, and assist in the maintenance and upkeep of state vehicles.
3. **Communications:** Provides written, internet, and verbal information about tourism opportunities with instate professional journalists, industry representatives, and residents; and represent the Division for public purposes.

4. Interagency: Coordinates and manages cooperative programs including SuperHost, Travel Conference, Scenic Byways and Backways, Welcome Centers, Travel Regions, and grants programs.

3.3 External Development

Recommendation

The Analyst recommends a budget of \$820,800.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	926,600	820,800	820,800	
Closing Nonlapsing	(300)			
Total	<u>\$926,300</u>	<u>\$820,800</u>	<u>\$820,800</u>	<u>\$0</u>
Expenditures				
Personal Services	305,400	313,200	349,200	36,000
In-State Travel	1,200	1,500	1,500	
Out of State Travel	11,600	40,000	4,000	(36,000)
Current Expense	448,100	414,600	414,600	
Other Charges/Pass Thru	160,000	51,500	51,500	
Total	<u>\$926,300</u>	<u>\$820,800</u>	<u>\$820,800</u>	<u>\$0</u>
FTE/Other				
Total FTE	6	5	5	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The External Development Program educates and assists the international, national, and domestic travel trade on opportunities and developments. At the same time, the program facilitates business introductions between out-of-state travel trade or media representatives and in-state providers and travel development organizations. The program advises in-state travel organizations on domestic and international travel trends. They are currently taking advantage of activities and publicity generated by the 2002 Olympic Games by extending their efforts towards new domestic and international markets. The Utah tourism industry can capitalize on this opportunity which will make a substantial positive impact on jobs, revenues and image.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	3,948,000	4,707,300	6,396,900	3,539,500	3,539,500
General Fund, One-time				1,500,000	
Transportation Fund	118,000	118,000	118,000	118,000	118,000
Dedicated Credits Revenue	292,000	254,700	259,300	254,700	254,700
General Fund Restricted			484,600		
GFR - Tourism Marketing	200,000				
Olympic Special Revenue	500,000	500,000			
Transfers	344,000				
Transfers - DCED	(37,000)				
Beginning Nonlapsing	106,300	43,100	17,000	102,000	
Closing Nonlapsing	(43,100)	(17,000)	(102,000)		
Total	\$5,428,200	\$5,606,100	\$7,173,800	\$5,514,200	\$3,912,200
Programs					
Travel Administration	2,773,300	2,896,400	3,812,000	3,110,500	1,508,500
Internal Development	1,877,000	1,755,800	2,435,500	1,582,900	1,582,900
External Development	777,900	953,900	926,300	820,800	820,800
Total	\$5,428,200	\$5,606,100	\$7,173,800	\$5,514,200	\$3,912,200
Expenditures					
Personal Services	968,100	1,198,900	1,385,700	1,344,300	1,381,000
In-State Travel	14,400	15,400	27,100	20,400	20,400
Out of State Travel	58,100	47,000	37,900	64,800	28,500
Current Expense	4,065,400	3,769,400	4,972,500	3,578,700	2,026,400
DP Current Expense	27,100	18,200	20,000	19,900	20,300
Other Charges/Pass Thru	295,100	535,100	730,600	486,100	435,600
Operating Transfers		22,100			
Total	\$5,428,200	\$5,606,100	\$7,173,800	\$5,514,200	\$3,912,200
FTE/Other					
Total FTE	21	22	22	24	24

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

Office of the
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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Office of Asian Affairs

Contents:

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1.0 Summary: Asian Affairs**Summary**

The Office of Asian Affairs advises the Governor on issues and concerns that impact the Asian Community.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	121,100	(121,100)	
Dedicated Credits Revenue	1,000	(1,000)	
Total	<u>\$122,100</u>	<u>(\$122,100)</u>	<u>\$0</u>
Programs			
Asian Affairs	122,100	(122,100)	
Total	<u>\$122,100</u>	<u>(\$122,100)</u>	<u>\$0</u>
FTE/Other			
Total FTE	2	(2)	

2.0 Issues: Asian Affairs

2.1 Consolidation

The Analyst recommends consolidating the Asian Office into Community Development as a separate program.

2.2 Intent Language

The Analyst recommends the following intent:

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

The Analyst is also recommending non-lapsing intent language but has done so under the Community Development line item.

3.0 Programs: Asian Affairs

3.1 Administration

The Analyst recommends consolidating the Office of Asian Affairs into Community Development as a separate program.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	125,700	121,100		(121,100)
Dedicated Credits Revenue		1,000		(1,000)
Beginning Nonlapsing	31,500			
Lapsing Balance	(1,600)			
Total	\$155,600	\$122,100	\$0	(\$122,100)
Expenditures				
Personal Services	114,600	85,900		(85,900)
In-State Travel	500	500		(500)
Out of State Travel	600	1,300		(1,300)
Current Expense	38,000	33,200		(33,200)
DP Current Expense	1,000	1,200		(1,200)
Other Charges/Pass Thru	900			
Total	\$155,600	\$122,100	\$0	(\$122,100)
FTE/Other				
Total FTE	2	2		(2)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Office of Asian Affairs advises the Governor on issues and concerns that impact the Asian Community. To accomplish this goal, the office, in conjunction with the Asian American Advisory Council, assesses and monitors the responsiveness of State government to the needs of Utah's Asian citizens. The Office of Asian Affairs coordinates with the other state Ethnic Offices on some activities. During FY 2002, all of the Ethnic Offices were moved from the Division of Business & Economic Development to the Division of Community Development within DCED. The Analyst recommends making Asian Offices a separate program under Community Development rather than a line item.

Activities

During FY 2002, the Office of Asian Affairs

- ▶ Published 1,500 copies of the Asian History book, "Asian Americans in Utah ~ A Living History" and distributed this book to public schools and state libraries to educate the public on Asian Americans in Utah.
- ▶ Sponsored Asian American Achievement Awards Banquets in collaboration with the Governor's Initiative on Families Today (G.I.F.T.) Office.

- ▶ Met regularly with the State Office of Education (USOE) Education Specialists and the Salt Lake School Districts Superintendent to develop partnerships and improve the educational experience of ethnic students.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
	Actual	Actual	Actual	Estimated*	Analyst
Financing					
General Fund	117,100	122,500	125,700	121,100	
Dedicated Credits Revenue				1,000	
Beginning Nonlapsing	25,700	15,100	31,500		
Closing Nonlapsing	(15,100)	(31,500)			
Lapsing Balance			(1,600)		
Total	\$127,700	\$106,100	\$155,600	\$122,100	\$0
Programs					
Asian Affairs	127,700	106,100	155,600	122,100	
Total	\$127,700	\$106,100	\$155,600	\$122,100	\$0
Expenditures					
Personal Services	93,900	99,900	114,600	85,900	
In-State Travel	600	400	500	500	
Out of State Travel		100	600	1,300	
Current Expense	32,100	4,400	38,000	33,200	
DP Current Expense	1,100	900	1,000	1,200	
Other Charges/Pass Thru		400	900		
Total	\$127,700	\$106,100	\$155,600	\$122,100	\$0
FTE/Other					
Total FTE	2	2	2	2	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Office of Pacific Islander Affairs

Contents:

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1.0 Summary: Pacific Islander Affairs**Summary**

The Office of Pacific Islander Affairs (formerly the Office of Polynesian Affairs) was created to advocate and promote cooperation, communication and understanding between state government and Pacific Islanders. The Analyst recommends consolidating Pacific Islander Affairs into Community Development as a separate program.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	119,700	(119,700)	
Dedicated Credits Revenue	5,000	(5,000)	
Transfers	60,000	(60,000)	
Total	<u>\$184,700</u>	<u>(\$184,700)</u>	<u>\$0</u>
Programs			
Pacific Islander Affairs	184,700	(184,700)	
Total	<u>\$184,700</u>	<u>(\$184,700)</u>	<u>\$0</u>
FTE/Other			
Total FTE	2	(2)	

2.0 Issues: Pacific Islander Affairs

2.1 Consolidation

The Analyst recommends consolidating the Office of Pacific Islander Affairs into Community Development as a separate program.

2.2 Sixth Special Session Reduction

Funding was reduced by \$5,300 in the Sixth Special Session. If consolidation is approved the Agency recommends absorbing the reductions within Community Development.

2.3 Intent Language

The Analyst recommends the following intent:

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

The Analyst is also recommending non-lapsing intent language but has done so under the Community Development line item.

3.0 Programs: Pacific Islander Affairs

3.1 Administration

Recommendation

The Analyst recommends transferring the budget to Community Development as a separate program.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	124,200	119,700		(119,700)
Dedicated Credits Revenue		5,000		(5,000)
Transfers	73,600	60,000		(60,000)
Beginning Nonlapsing	5,500			
Lapsing Balance	(300)			
Total	\$203,000	\$184,700	\$0	(\$184,700)
Expenditures				
Personal Services	112,200	129,500		(129,500)
In-State Travel	1,900	2,000		(2,000)
Out of State Travel	3,900	7,000		(7,000)
Current Expense	32,700	15,000		(15,000)
DP Current Expense	1,400	1,200		(1,200)
DP Capital Outlay	900			
Other Charges/Pass Thru	50,000	30,000		(30,000)
Total	\$203,000	\$184,700	\$0	(\$184,700)
FTE/Other				
Total FTE	2	2		(2)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The State Office of Pacific Islander Affairs Office was initially created by executive order signed by Governor Leavitt on August 20, 1996 as the State Office of Polynesian Affairs. The name change was by a superseding executive order on December 16, 1999 to reflect all the constituents that the Office serves, to include also Melanesians and Micronesians.

The needs for the program are outlined in the executive order:

- ▶ That state government should be responsive to all citizens.
- ▶ That close communication between these citizens and the Governor is necessary to maintain a responsive government.
- ▶ That the state government should advocate and promote co-operation and understanding between government agencies and ethnic citizens.

To ensure that these needs are met, the Office is therefore mandated with the following:

- ▶ To meet with the Pacific Islander Advisory Council on a regular basis to address the Council's findings and recommendations regarding the state government's responsiveness.

- ▶ To review state policy, agencies, programs, and projects to determine their impact on Pacific Islanders.
- ▶ To inform and recommend state agencies and other entities how they can increase or improve their responsiveness and to serve as a resource for state government in this regard
- ▶ To develop a work plan that addresses identified state issues and set monitoring strategies.
- ▶ To inform Pacific Islanders about state resources.
- ▶ To report to the Governor's office on an annual basis about the state government's responsiveness to Pacific Islanders of Utah and also other issues impacting these citizens.

The Pacific Islander Advisory Council was also formed by an executive order in 1988 delegating to the council to:

- ▶ Gather information about the needs of Pacific Islanders for which state government is responsible for.
- ▶ Provide a forum for Pacific Islanders to inform the Council the state government's response to issues.
- ▶ Develop recommendations to state government on issues and to review state government's response to those recommendations.
- ▶ Make recommendations to the State of Utah, State Office of Pacific Islander Affairs about the state government's policy, programs, and projects and their impact on Pacific Islanders.
- ▶ Provide a list of Pacific Islanders who can serve on advisory boards, commissions, and other positions in state.

The 2000 U.S. Census indicated that there are 15,145 Pacific Islanders in Utah.

The Analyst recommends consolidating the Office of Pacific Islander Affairs into Community Development as a separate program.

Activities

In FY 2002, the Office of Pacific Islander Affairs was involved in the activities listed below:

- ▶ Referral Service and Community Resources: The office continued to field inquiries from Utah's Pacific Islander population and other citizens about Pacific Islanders issues. The include immigration, racial profiling, discrimination, education, job equity, health care, gang, youth, and domestic violence, substance abuse, cultures, customs, and traditions.
- ▶ Joint Ethnic Work Plan (2001-2002): The Office of Pacific Islander Affairs continued to collaborate with the directors of the Offices of Asian, Black, and Hispanic Affairs on issues of criminal justice, economic opportunities, education and health. The Office of Pacific Islander Affairs took the lead and was the primary contact on health issues.

- ▶ The council meets monthly to bring issues from the community to the attention of the office and to also take information to the various Pacific Islander communities represented by council members.
- ▶ Project Manna: The office, in collaboration with Community Connection Services was again awarded a second year Title II federal grant from the Utah Commission on Criminal and Juvenile Justice (CCJJ) for intensive in-home services to reduce criminal behavior among Pacific Islander youth. An additional grant was also received from CCJJ to provide counseling and parenting services to Pacific Islander parents with children in youth corrections. Forty-eight Pacific Islander youths were enrolled in the classes, and 57 parents enrolled in the parenting courses.
- ▶ Pacific Islander Cancer Control Network: 2002 marked the second year of a subcontract from the University of California, Irvine on a federal grant from the National Cancer Institute to conduct educational outreaches on cancer for Chamorros, Samoans, and Tongans. The Utah component overseen by the Office of Pacific Islander Affairs focuses on the Tongan population.
- ▶ Racial and Ethnic Advisory Council (REAC) to the US Census Bureau: As a member of REAC, the director of the Office of Pacific Islanders Affairs has been attending a number of meetings preceding the release of many reports on the 2000 Census. Much of the effort of the “Native Hawaiian” and “Other Pacific Islander” subcommittee of REAC has been focused on the implementation of the US Office of Management and Budget (OMB) directive to separate the Asian and Pacific Islander demographics and the collection of data by federal and other government agencies.
- ▶ Advocate for Pacific Islander Community: The director of the Office of Pacific islander Affairs serves on several state boards and councils as an advocate for Pacific Islander and other ethnic populations in Utah. Those panels include the Aging and Adult Services Advisory Council to the Utah Substance Abuse and Anti-Violence Coordinating Council. Service on such panels enables the office to stay abreast of key issues impacting the Pacific Islander community and to provide input on those issues. The director also works with the Pacific Council of Leaders to promote a national voice and network for Pacific Islanders.
- ▶ Pacific Islanders in Correctional Facilities: The Office of Pacific Islander Affairs coordinated and arranged with Utah adult correctional facilities for Pacific Islander community and church leaders to conduct four visits to state prisons to visit Polynesian inmates. Cultural programs and inspirational talks were given to encourage Pacific Islander inmates to participate in educational offerings and other resources to establish a solid foundation for life after their incarceration. The Office of Pacific Islanders Affairs director also visited individually with 70 percent of the Pacific Islander inmates in maximum-security facilities.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	117,000	122,200	124,200	119,700	
Dedicated Credits Revenue		3,400		5,000	
Transfers			73,600	60,000	
Beginning Nonlapsing	16,900	11,200	5,500		
Closing Nonlapsing	(11,200)	(5,500)			
Lapsing Balance			(300)		
Total	\$122,700	\$131,300	\$203,000	\$184,700	\$0
Programs					
Pacific Islander Affairs	122,700	131,300	203,000	184,700	
Total	\$122,700	\$131,300	\$203,000	\$184,700	\$0
Expenditures					
Personal Services	97,300	110,000	112,200	129,500	
In-State Travel	4,000	4,500	1,900	2,000	
Out of State Travel	1,800	3,900	3,900	7,000	
Current Expense	18,000	21,000	32,700	15,000	
DP Current Expense	1,600	3,200	1,400	1,200	
DP Capital Outlay			900		
Other Charges/Pass Thru		(11,300)	50,000	30,000	
Total	\$122,700	\$131,300	\$203,000	\$184,700	\$0
FTE/Other					
Total FTE	2	2	2	2	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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Joint Appropriations Subcommittee for
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Office of Black Affairs

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1.0 Summary: Division of Black Affairs**Summary**

The Office of Black Affairs is a liaison and issue coordinator for the Governor. The Office makes recommendations on broad policy and program issues rather than solving individual problems. The Analyst is recommending consolidating the Office of Black Affairs into Community Development as a separate program. This will help mitigate the impacts of proposed budget reductions.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	121,100	(121,100)	
Total	<u>\$121,100</u>	<u>(\$121,100)</u>	<u>\$0</u>
Programs			
Black Affairs	121,100	(121,100)	
Total	<u>\$121,100</u>	<u>(\$121,100)</u>	<u>\$0</u>
FTE/Other			
Total FTE	2	(2)	

2.0 Issues: Black Affairs

2.1 Intent Language

The Analyst recommends the following intent:

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

The Analyst is also recommending non-lapsing intent language but has done so under the Community Development line item.

2.2 Consolidation

The Analyst recommends consolidating the Office of Black Affairs into Community Development as a separate program.

3.0 Programs: Black Affairs

3.1 Administration

Recommendation

The Analyst recommends consolidating the Office of Black Affairs into Community Development as a separate program.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	125,300	121,100		(121,100)
Beginning Nonlapsing	47,400			
Closing Nonlapsing	(1,600)			
Total	\$171,100	\$121,100	\$0	(\$121,100)
Expenditures				
Personal Services	101,800	103,500		(103,500)
In-State Travel	800	1,500		(1,500)
Out of State Travel	1,300	1,300		(1,300)
Current Expense	64,400	13,600		(13,600)
DP Current Expense	1,400	1,200		(1,200)
DP Capital Outlay	900			
Other Charges/Pass Thru	500			
Total	\$171,100	\$121,100	\$0	(\$121,100)
FTE/Other				
Total FTE	2	2		(2)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Office of Black Affairs is a liaison and issue coordinator for the Governor. The Office makes recommendations on broad policy and program issues rather than solving individual problems. It coordinates activities with other minority offices, community groups and the Black Advisory Council. During FY 2001, all of the Ethnic Offices were moved from the Division of Business and Economic Development to the Division of Community Development within DCED. For FY 2003 the Analyst recommends consolidating the office into Community Development as a separate program.

Although Utah's African-American population numbers fewer than 20,000, the 2000 U.S. Census reports it is the 5th fastest-growing African-American population among all states. Most of these citizens are located in urban areas along the Wasatch Front.

Activities

During FY 2002, the Office of Black Affairs

- ▶ The Office of Black Affairs and the Black Advisory Council, in collaboration with the Governor's Initiative on Families Today (G.I.F.T.) has hosted annual G.I.F.T. conferences for the past five years.

- ▶ The Office of Black Affairs and the Black Advisory Council have worked incrementally over the past five years to address the disparity in graduation rates of Utah's African American students.
- ▶ The Office of Black Affairs, the Joint Ethnic Offices, and the Black Advisory Council have worked collaboratively over the past five years with existing local and state criminal justice entities to address fairness in the Criminal Justice System, and to reduce the rates of ethnic minority confinement.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
	Actual	Actual	Actual	Estimated*	Analyst
Financing					
General Fund	117,000	122,100	125,300	121,100	
Beginning Nonlapsing	10,500	1,300	47,400		
Closing Nonlapsing	(1,200)	(47,400)	(1,600)		
Total	\$126,300	\$76,000	\$171,100	\$121,100	\$0
Programs					
Black Affairs	126,300	76,000	171,100	121,100	
Total	\$126,300	\$76,000	\$171,100	\$121,100	\$0
Expenditures					
Personal Services	82,500	48,700	101,800	103,500	
In-State Travel	3,300	1,100	800	1,500	
Out of State Travel	2,900		1,300	1,300	
Current Expense	35,600	19,600	64,400	13,600	
DP Current Expense	1,600	4,200	1,400	1,200	
DP Capital Outlay			900		
Total	\$126,300	\$76,000	\$171,100	\$121,100	\$0
FTE/Other					
Total FTE	2	2	2	2	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Office of Hispanic Affairs

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Division of Hispanic Affairs**Summary**

The Office of Hispanic Affairs is to advise the Governor on issues, which impact the Hispanic community.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	124,000	(124,000)	
Dedicated Credits Revenue	45,000	(45,000)	
Total	\$169,000	(\$169,000)	\$0
Programs			
Hispanic Affairs	169,000	(169,000)	
Total	\$169,000	(\$169,000)	\$0
FTE/Other			
Total FTE	2	(2)	

2.0 Issues: Hispanic Affairs

2.1 Sixth Special Session Reductions

Funding was reduced by \$5,500 in the Sixth Special Session. If consolidation is approved the Agency recommends absorbing the reductions within Community Development.

2.2 Consolidation

The Analyst recommends consolidating the office of Hispanic Affairs into Community Development as a separate program.

2.3 Intent Language

The Analyst recommends the following intent:

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

The Analyst is also recommending non-lapsing intent language but has done so under the Community Development line item.

3.0 Programs: Hispanic Affairs

3.1 Administration

Recommendation

The Analyst recommends transferring the budget to Community Development as a separate program.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	128,200	124,000		(124,000)
Dedicated Credits Revenue		45,000		(45,000)
Beginning Nonlapsing	30,200			
Lapsing Balance	(1,900)			
Total	\$156,500	\$169,000	\$0	(\$169,000)
Expenditures				
Personal Services	109,600	101,000		(101,000)
In-State Travel	200	1,000		(1,000)
Out of State Travel	900	1,300		(1,300)
Current Expense	40,600	62,000		(62,000)
DP Current Expense	1,800	1,200		(1,200)
DP Capital Outlay	900			
Other Charges/Pass Thru	2,500	2,500		(2,500)
Total	\$156,500	\$169,000	\$0	(\$169,000)
FTE/Other				
Total FTE	2	2		(2)
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The Office of Hispanic Affairs is to advise the Governor on issues, which impact the Hispanic community. To accomplish this task, the office in conjunction with the Hispanic Advisory Council, assesses the responsiveness of State government to the needs of Utah's Hispanic citizens. During FY 2001, all of the Ethnic Offices were moved from the Division of Business and Economic Development to the Division of Community Development within DCED. The Analyst recommends consolidating the office into Community Development as a separate office.

Activities

In FY 2002, the Office of Hispanic Affairs

- ▶ Assisted Salt Lake County Health Department with their outreach efforts into the Latino community. They conducted their first child restraint and Highway Safety seminar, where over 100 attendees had the opportunity to have "hands-on" training on the proper usage of seat belts and child restraint car seats, as well as bicycle safety.
- ▶ Assisted the Utah Labor Commission with their efforts to provide cultural and linguistic appropriate work safety training to the Latino community and translated commercials into Spanish.

- ▶ Developed partnerships with American Express Centurion Bank and Zion's Bank to conduct economic financial workshops specifically for the Hispanic community. These workshops have been started and conducted across the Wasatch Front. Attendance has ranged from 90 to 150.
- ▶ Coordinated a joint effort with the other State Ethnic Offices and the Office of Workforce Services to hold a Cultural Integration Symposium for 200 employers for the purpose of addressing the challenges of a diverse labor force.
- ▶ Worked with the Hispanic Council to develop a Computerized ESL program at a Middle School in the Salt Lake School District.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	119,000	124,300	128,200	124,000	
Dedicated Credits Revenue				45,000	
Beginning Nonlapsing	29,600	25,100	30,200		
Closing Nonlapsing	(25,100)	(30,200)			
Lapsing Balance			(1,900)		
Total	\$123,500	\$119,200	\$156,500	\$169,000	\$0
Programs					
Hispanic Affairs	123,500	119,200	156,500	169,000	
Total	\$123,500	\$119,200	\$156,500	\$169,000	\$0
Expenditures					
Personal Services	100,700	107,300	109,600	101,000	
In-State Travel	1,200	700	200	1,000	
Out of State Travel	600	1,200	900	1,300	
Current Expense	16,700	(3,400)	40,600	62,000	
DP Current Expense	2,000	11,000	1,800	1,200	
DP Capital Outlay			900		
Other Charges/Pass Thru	2,300	2,400	2,500	2,500	
Total	\$123,500	\$119,200	\$156,500	\$169,000	\$0
FTE/Other					
Total FTE	2	2	2	2	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Division of Indian Affairs

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Division of Indian Affairs**Summary**

Indian Affairs serves as the Indian Affairs authority for the State of Utah. The Division exists to enhance intergovernmental relations leading to growth and prosperity from tribes and Indian citizens.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	202,000		202,000
Total	<u>\$202,000</u>	<u>\$0</u>	<u>\$202,000</u>
Programs			
Indian Affairs	202,000		202,000
Total	<u>\$202,000</u>	<u>\$0</u>	<u>\$202,000</u>
FTE/Other			
Total FTE	3		3

2.0 Issues: Division of Indian Affairs

2.1 Sixth Special Session Reductions

Funding for the Division of Indian Affairs was reduced by \$9,000 during the Sixth Special Session. The Division has chosen to take the reduction as an across the board reduction as proposed by the Legislature.

2.2 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for Indian Affairs be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

3.0 Programs: Office of Indian Affairs

3.1 Administration

Recommendation The Analyst recommends a budget of \$202,000.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	226,600	202,000	202,000	
Federal Funds	75,500			
Dedicated Credits Revenue	3,300			
Transfers	30,800			
Beginning Nonlapsing	5,500			
Lapsing Balance	(100)			
Total	\$341,600	\$202,000	\$202,000	\$0
Expenditures				
Personal Services	200,400	175,700	175,700	
In-State Travel	7,800	7,800	7,800	
Out of State Travel	9,300	9,300	9,300	
Current Expense	90,400	6,400	6,400	
DP Current Expense	2,800	2,800	2,800	
Other Charges/Pass Thru	30,900			
Total	\$341,600	\$202,000	\$202,000	\$0
FTE/Other				
Total FTE	3	3	3	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

Indian Affairs serves as the Indian Affairs authority for the State of Utah. Indian Affairs exists to enhance intergovernmental relations leading to growth and prosperity from tribes and Indian citizens. See UCA, Section 9-9-1-101.

Functions of the Division are listed below.

1. Develop programs that will allow Indian citizens residing on or off reservations an opportunity to share in the progress of Utah.
2. Promote an atmosphere in which Indian citizens are provided alternatives so that individual citizens may choose for themselves the kinds of lives they will live, both socially and economically.
3. Promote programs to help the tribes and Indian communities fund and implement solutions to their community problems.
4. Promote government-to-government relations between the state and tribal governments.

Activities

Indian Affairs provides information and referral services, coordinates issues, and acts as a community liaison for the Governor. It promotes positive intergovernmental relations with and between the State of Utah and Utah's Indian tribal governments, Indian organizations, other minority offices, and reports directly to the Governor's Office through the Department of Community and Economic Development.

Accomplishments

- ▶ Two (2) tribal smartsites will be operational (have received contracts) by the end of the fiscal year.
- ▶ They assisted six tribes in obtaining approximately \$36,000 in basic grants under the Institute for Museums and Library Services (IMLS).
- ▶ Created statewide task force, securing a minimum of \$100,000 for state or federally supported initiative to increase educational services to American Indian students in order to begin to impact standard achievement scores and U-pass scores.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	214,800	220,100	226,600	202,000	202,000
Federal Funds	33,900		75,500		
Dedicated Credits Revenue		28,000	3,300		
Transfers			30,800		
Beginning Nonlapsing	346,300	20,500	5,500		
Closing Nonlapsing	(20,500)	(5,500)			
Lapsing Balance			(100)		
Total	\$574,500	\$263,100	\$341,600	\$202,000	\$202,000
Programs					
Indian Affairs	574,500	263,100	341,600	202,000	202,000
Total	\$574,500	\$263,100	\$341,600	\$202,000	\$202,000
Expenditures					
Personal Services	208,900	199,200	200,400	175,700	175,700
In-State Travel	12,800	18,700	7,800	7,800	7,800
Out of State Travel	11,000	5,300	9,300	9,300	9,300
Current Expense	34,000	19,000	90,400	6,400	6,400
DP Current Expense	4,300	10,800	2,800	2,800	2,800
Other Charges/Pass Thru	303,500	10,100	30,900		
Total	\$574,500	\$263,100	\$341,600	\$202,000	\$202,000
FTE/Other					
Total FTE	3	3	3	3	3

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

State Library

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: State Library

Summary

The State Library Division works to strengthen and improve library services to Utah residents. It offers special library services to the blind, visually and physically impaired; gives grants, training, technical assistance, reference and interlibrary loan service to local libraries. It provides bookmobile library service in 22 counties under contract with county library board; supports *PIONEER: Utah's Online Library*; and works to improve access to state electronic information through the Government Information Locator Service (GILS)

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	4,012,800		4,012,800
Federal Funds	1,438,800		1,438,800
Dedicated Credits Revenue	1,750,900		1,750,900
Total	<u>\$7,202,500</u>	<u>\$0</u>	<u>\$7,202,500</u>
Programs			
Administration	1,383,400		1,383,400
Blind and Physically Handicapped	1,283,900		1,283,900
Library Development	3,313,700		3,313,700
Information Services	1,221,500		1,221,500
Total	<u>\$7,202,500</u>	<u>\$0</u>	<u>\$7,202,500</u>
FTE/Other			
Total FTE	73		73

Issues DBED

2.1 Sixth Special Session Reductions

An ongoing reduction of \$178,100 was made in the Sixth Special Session. Instead of across the board reductions the Library proposes to reduce operations costs, grants, current expense, and a Pioneer database by an equivalent amount

2.2 Legislative Intent Language

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

It is the intent of the Legislature that funding for the State Library be nonlapsing.

3.1 State Library – Administration

Recommendation The Analyst recommends a budget of \$1,383,400.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	1,054,100	1,157,700	1,157,700	
Federal Funds	32,700	15,000	15,000	
Dedicated Credits Revenue	241,400	210,700	210,700	
Transfers	(100)			
Total	<u>\$1,328,100</u>	<u>\$1,383,400</u>	<u>\$1,383,400</u>	<u>\$0</u>
Expenditures				
Personal Services	325,600	323,700	324,300	600
In-State Travel	1,700	2,000	2,000	
Out of State Travel	2,100	5,600	5,600	
Current Expense	954,700	1,007,100	1,006,500	(600)
DP Current Expense	44,000	45,000	45,000	
Total	<u>\$1,328,100</u>	<u>\$1,383,400</u>	<u>\$1,383,400</u>	<u>\$0</u>
FTE/Other				
Total FTE	5	6	6	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose The Administration program provides general leadership and management for the State Library Division. The program works with state officials, advisory groups, boards and professional associations to assure the accountability and responsiveness of the Division's Pprograms and services. It coordinates planning for the improvement of library services in Utah and monitors legislation affecting libraries.

Activity The program's functions include: planning; external relations; budgeting, accounting, purchasing; contract management; facilities maintenance and other central support functions. All bond, operating and maintenance payments for the Division's building are paid from this budget.

Performance No specific performance measures have been defined for this program. Program success is assessed through achievements in the Division's overall strategic plan, through Division effectiveness in working with constituent groups and various advisory councils, and through the programs success in facilitating the work of the other Division services programs.

3.2 Blind and Disabled Program

Recommendation The Analyst recommends a budget of \$1,283,900.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	750,500	677,800	677,800	
Federal Funds	109,200	111,000	111,000	
Dedicated Credits Revenue	457,800	488,600	495,100	6,500
Transfers	(200)			
Total	\$1,317,300	\$1,277,400	\$1,283,900	\$6,500
Expenditures				
Personal Services	1,111,400	1,140,000	1,131,300	(8,700)
In-State Travel		1,000	1,100	100
Out of State Travel	5,800	7,100	6,600	(500)
Current Expense	139,100	98,400	113,000	14,600
DP Current Expense	45,700	30,900	31,900	1,000
Capital Outlay	15,300			
Total	\$1,317,300	\$1,277,400	\$1,283,900	\$6,500
FTE/Other				
Total FTE	26	26	26	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The State Library Division, Program for the Blind and Disabled serves the blinds and physically disabled of the entire state, assuring all appropriate public and non-public, or non-profit libraries are provided an opportunity to participate in the program. The purpose of the Library for the Blind and Disabled is to provide special library services to the targeted population by circulating library materials in alternative formats including Braille, large print, recorded cassettes. They also use radio reading services. Approximately 1.4 percent of Utah's population is blind or physically handicapped. Presently 34 percent of the target population is receiving service from the blind and physically disabled program.

Activity

The program circulates Braille, large print, cassettes, and descriptive videos and operates a radio reading service for current information not covered on standard radio and TV broadcasts. Wyoming contracts with the program for full library service, and 16 states contract for Braille service only. The National Library Service for the Blind contracts with the program to serve as Western Multi-state Center, which supplies Utah and 24 other states with Braille, records and record players, cassette machines and tapes and catalogs of materials provided by the national program.

**Performance
Measures**

Measure	1997	1998	1999	2000	2001	2002
# New Patrons Served	1,562	1,717	1,956	1,588	1,465	N/A
# Total Patrons Served	11,086	10,806	12,075	12,875	13,911	14,393
Quality of Service (periodic survey)		99% satisfied				
# Materials Circulated	271,311	283,459	268,053	285,832	260,424	276,936
# Broadcast Hours	4,732	4,732	4,732	4,732	4,732	N/A
# Volunteer Service Hours	43,595	51,327	59,848	56,794	65,132	N/A
#Materials recorded or Brailed	327	336	231	218	276	N/A

3.3 Library Development Program

Recommendation The Analyst recommends a budget of \$3,313,700.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,741,200	1,415,400	1,415,400	
Federal Funds	607,400	764,800	853,200	88,400
Dedicated Credits Revenue	1,044,000	1,025,900	1,045,100	19,200
Transfers	600			
Beginning Nonlapsing	27,000	11,100		(11,100)
Closing Nonlapsing	(11,100)			
Total	\$3,409,100	\$3,217,200	\$3,313,700	\$96,500
Expenditures				
Personal Services	1,521,000	1,527,500	1,523,900	(3,600)
In-State Travel	34,000	46,800	48,100	1,300
Out of State Travel	3,500	5,300	5,300	
Current Expense	425,700	316,300	320,200	3,900
DP Current Expense	53,700	34,000	26,200	(7,800)
Capital Outlay	136,300	94,600	113,000	18,400
Other Charges/Pass Thru	1,053,300	1,192,700	1,277,000	84,300
Operating Transfers	181,600			
Total	\$3,409,100	\$3,217,200	\$3,313,700	\$96,500
FTE/Other				
Total FTE	33	32	31	(0)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose The Library Development Program supports library services in all areas of the state's library community. There is a particular focus on public library services provided by Utah's cities and counties. This program helps ensure that local communities across Utah have access to the information resources and tools residents need to fully participate in the emerging 21st Century culture and economy.

Activity The program administers and coordinates consulting services, continuing education and training, a children's summer reading program, library service standards, planning, state funded library development grants, competitive federal grants and library management information. Staff helps library directors and trustees solve problems, assess needs, make plans, set policies and find resources. Under service agreements with 22 counties statewide, the program organizes and coordinates county bookmobile library services.

**Performance
Measures**

Measure	1997	1998	1999	2000	2001
Consulting Visits/Contacts	300 est	300 est	300 est	300 est	300 est
Participants in UPLIFT Certification Training	26	56	54	50	56
Participants in UPLIFT Trustee Training and Teleconferences	282	509	415	510	275
Participants in UPLIFT Practicum	15	11	13	13	11
# and \$ Amount of State and Federal Grant Projects	N/A	137A	122	120	109
	\$986,881	\$1,116,303	\$1,015,320	\$908,373	\$1,141,526

3.4 Information Resources Program

Recommendation The Analyst recommends a budget of \$1,221,500.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	851,000	761,900	761,900	
Federal Funds	347,700	450,200	459,600	9,400
Transfers	(300)			
Total	\$1,198,400	\$1,212,100	\$1,221,500	\$9,400
Expenditures				
Personal Services	473,200	517,300	517,400	100
In-State Travel	400	2,500	2,500	
Out of State Travel	1,800	2,100	2,100	
Current Expense	696,900	679,100	688,400	9,300
DP Current Expense	26,100	11,100	11,100	
Total	\$1,198,400	\$1,212,100	\$1,221,500	\$9,400
FTE/Other				
Total FTE	10	10	10	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose The Information Resources Program administers and coordinates programs and activities, which support libraries and State agencies.

Activity The program provides reference and interlibrary loan services for libraries and state agencies, giving particular support to the state's rural public libraries. It also provides assistance and training in the areas of reference, collection development, cataloging and interlibrary loan. The program coordinates and funds participation for public libraries and state agency personnel in *PIONEER: Utah's Online Library*, provides training in the use of *PIONEER* resources, and maintains the "Public *PIONEER*" website. Staff collect, catalog and distribute Utah state agency publications to depository libraries, and train agency personnel in the technical standards and skills needed to improve public access to their publications via the Internet. The program also administers grants to support interlibrary lending within Utah.

Performance Measures

Measure	1998	1999	2000	2001	2002
# Interlibrary Loan Requests	8,393	8,803	9,296	10,415	11,301
Searches/Views of Premium PIONEER Databases	N/A	N/A	N/A	392,244	310,943
				6-m	6-m
				462,784	782,962
				6-m	6-m
Website Usage					920,195

4.0 Additional Funding

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	3,671,500	3,501,800	4,396,800	4,012,800	4,012,800
Federal Funds	1,055,000	1,425,900	1,097,000	1,341,000	1,438,800
Dedicated Credits Revenue	1,578,600	1,516,000	1,743,200	1,725,200	1,750,900
Library Donation Expendable Trust	1,900				
Transfers	(1,900)				
Beginning Nonlapsing	10,400	125,200	27,000	11,100	
Closing Nonlapsing	(125,200)	(27,000)	(11,100)		
Total	\$6,190,300	\$6,541,900	\$7,252,900	\$7,090,100	\$7,202,500
Programs					
Administration	694,400	670,300	1,328,100	1,383,400	1,383,400
Blind and Physically Handicapped	1,254,900	1,312,600	1,317,300	1,277,400	1,283,900
Library Development	2,969,100	3,288,400	3,409,100	3,217,200	3,313,700
Information Services	1,271,900	1,270,600	1,198,400	1,212,100	1,221,500
Total	\$6,190,300	\$6,541,900	\$7,252,900	\$7,090,100	\$7,202,500
Expenditures					
Personal Services	3,276,900	3,432,200	3,431,200	3,508,500	3,496,900
In-State Travel	53,300	51,600	36,100	52,300	53,700
Out of State Travel	15,300	14,500	13,200	20,100	19,600
Current Expense	1,410,500	1,568,200	2,216,400	2,100,900	2,128,100
DP Current Expense	273,100	128,400	169,500	121,000	114,200
DP Capital Outlay		16,000			
Capital Outlay	78,000		151,600	94,600	113,000
Other Charges/Pass Thru	1,083,200	1,331,000	1,053,300	1,192,700	1,277,000
Operating Transfers			181,600		
Total	\$6,190,300	\$6,541,900	\$7,252,900	\$7,090,100	\$7,202,500
FTE/Other					
Total FTE	76	75	74	74	73

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

Program		FY 2001 Actual	FY 2002 Estimated	FY 2003 Analyst
Library Services and Technology Act	Federal	32,700	15,000	15,000
	Required State Match	1,054,100	1,163,100	1,164,200
Library Services and Technology Act	Federal	109,200	111,000	111,000
	Required State Match	750,500	707,900	710,400
Library Services and Technology Act	Federal	607,400	764,800	853,200
	Required State Match	1,586,600	1,524,200	1,526,900
Library Services and Technology Act	Federal	347,700	450,200	459,600
	Required State Match	851,000	795,700	797,400
Total		\$5,339,200	\$5,531,900	\$5,637,700

4.3 Fees

	Current Fee FY 2003	Propose Changes FY 2004	Proposed # of Units	Estimated Revenue	Difference (+ or -)
Lost Books, Bookmobile Paperback	5.00				
Lost Books, Bookmobile Hardback	10.00				
Lost Books, Interlibrary Loan Paperback	15.00				
Lost Books, Interlibrary Loan Hardback	35.00				

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Division of Fine Arts

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1.0 Summary: Utah Arts Council

Summary

The Utah Arts Council promotes fine arts. It was originally organized in 1899 and was the first state arts agency in the nation.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	2,448,300		2,448,300
Federal Funds	497,100		497,100
Dedicated Credits Revenue	152,000		152,000
GFR - Industrial Assistance	13,900		13,900
Total	\$3,111,300	\$0	\$3,111,300
Programs			
Administration	636,200		636,200
Grants to Non-profits	1,097,600		1,097,600
Community Arts Outreach	1,377,500		1,377,500
Total	\$3,111,300	\$0	\$3,111,300
FTE/Other			
Total FTE	21		21

2.0 Issues: Arts Council

2.1 Sixth Special Session Reductions

An ongoing reduction of \$108,700 was made in the Sixth Special Session. The Division proposes to eliminate an intern, reduce training, and reduce development grants by 6 percent in lieu of the across the board reduction.

2.2 Utah Humanities Council

During the 2002 General Session the committee reallocated \$113,600 of liquidated UTFC funds (\$99,700 Manufacturers Extension Partnership, 13,700 Utah Humanities Council). The intent was to mitigate the impacts of proposed budget reductions. Funding is still available from this source for FY 2004 at which time funds run out. Hence, in FY 2005 the committee will want to readdress the funding of the Utah Humanities Council and consider possibly replacing incentive funds with General Fund.

2.3 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for Fine Arts be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

3.0 Programs: Fine Art

3.1 Administration

Recommendation

The Analyst recommends a budget of \$636,200.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	885,200	636,200	636,200	
Federal Funds		66,800		(66,800)
Closing Nonlapsing	(230,900)	(66,000)		66,000
Total	<u>\$654,300</u>	<u>\$637,000</u>	<u>\$636,200</u>	<u>(\$800)</u>
Expenditures				
Personal Services	334,100	339,000	338,900	(100)
In-State Travel	10,000	11,500	11,500	
Out of State Travel	300	500	500	
Current Expense	292,700	267,100	267,100	
DP Current Expense	17,200	18,900	18,200	(700)
Total	<u>\$654,300</u>	<u>\$637,000</u>	<u>\$636,200</u>	<u>(\$800)</u>
FTE/Other				
Total FTE	5	6	6	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Utah Arts Council (UAC) was established as the first state-supported arts organization in the country in 1899. The Administration budget provides for 6-staff members, and the travel costs for the nearly 100-member advisory panels and 13-member Board. This area covers current expense costs and provides operating supplies and maintenance to the various UAC facilities including the Rio Grande Depot, Art House, Chase Home, and Glendinning Office.

3.2 Grants Program

Recommendation

The Analyst recommends a budget of \$1,097,600.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,222,000	943,800	910,300	(33,500)
General Fund, One-time		20,000		(20,000)
Federal Funds	319,600	173,400	173,400	
GFR - Industrial Assistance		13,900	13,900	
Beginning Nonlapsing	1,800	9,400		(9,400)
Closing Nonlapsing	(9,400)			
Total	\$1,534,000	\$1,160,500	\$1,097,600	(\$62,900)
Expenditures				
Other Charges/Pass Thru	1,534,000	1,160,500	1,097,600	(62,900)
Total	\$1,534,000	\$1,160,500	\$1,097,600	(\$62,900)
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The Utah Arts Council Grants Program, provides funding to more than 200 nonprofit organizations each year. Activities are planned and carried out by grantees themselves and State money is always fully matched. The Grants Program assures the availability of quality affordable arts experiences for all Utahns. Utah Arts Council grants also act as a catalyst for private, business and other government contributions to arts projects and arts organizations. Because the Grants budget was cut in FY 2003 and the one-time increase from FY 2002 did not repeat, grants to nonprofit organizations were down in FY 2003. With the economic downturn this past year and resulting decrease in attendance at arts events, Utah's arts organizations are struggling to maintain status quo.

3.3 Community Outreach Program

Recommendation The Analyst recommends a budget of \$1,377,500.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	908,500	868,300	901,800	33,500
Federal Funds	145,300	291,200	323,700	32,500
Dedicated Credits Revenue	121,600	152,000	152,000	
Transfers	8,400			
Beginning Nonlapsing	403,500	281,400		(281,400)
Closing Nonlapsing	(50,500)	66,000		(66,000)
Total	\$1,536,800	\$1,658,900	\$1,377,500	(\$281,400)
Expenditures				
Personal Services	753,800	781,500	781,500	
In-State Travel	48,400	30,500	30,500	
Out of State Travel	13,200	7,500	7,500	
Current Expense	718,300	839,400	558,000	(281,400)
DP Current Expense	3,100			
Total	\$1,536,800	\$1,658,900	\$1,377,500	(\$281,400)
FTE/Other				
Total FTE	16	15	15	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Through nine Utah Arts Council Community Outreach Programs (Arts, Education, Community/State Partnership, Folk Arts, Visual Arts, Traveling Exhibits, Literature, Artist Services, and Public Art, Public Information), programmers design and respond to specific needs of communities. Program staff coordinates the one-percent for the arts program and complies with guidelines from the National Endowment for the Arts, which provides the majority of programming dollars for this program. There are long-running state programs in this area such as the annual Original Writing Competition now in its 45th year, and the Statewide Annual Exhibition which has been held since 1899. These programs serve artists, school children, and urban area residents. They also direct special attention towards ethnic and rural communities, underserved populations.

This program partners with various community representatives. Community co-sponsors provide matching funds and assist in carrying out programs. Services provided by co-sponsors may include technical assistance in helping a community organize a local arts council. Co-sponsors may also arrange a traveling exhibit in a community setting.

Arts Education

Through UAC Community Outreach Programs, Arts Education responds to the legislative mandate of 1899 to “advance the arts in all their phases.” Arts Education precise mandate is to “embody and facilitate life-long learning in the arts for all Utahns.” Additionally, the 2002 Congress passed President Bush’s “No Child Left Behind” Elementary and Secondary Education Act (ESEA) in which dance, theatre, music and visual art are declared part of the child’s core learning experience. The ESEA Act and the National Endowment for the Arts federal mandate to support arts learning adds to the statutory authority through which Arts Education follows it’s long-range plan. The plan is designed to respond to the specific needs of Utah students, teachers, parents and community arts leaders. Arts Education works in partnership with the Utah State Office of Education, Utah PTA, the Utah Family Center, and artistic companies and organizations that govern professional development for teachers.

Community/State Partnership

As a partner and a resource, the Community/State Partnership Program provides a link between nonprofit arts organizations throughout Utah and the state. Arts and cultural organizations need ongoing training and resource development to maintain the health of the organization. These organizations are then better equipped to deal with changes in the environment. The Community/State Partnership Program offers professional and community development training, board retreats, strategic planning, conflict resolution and other technical assistance to these organizations. A major component of this program, The Utah Performing Arts Tour, offers nonprofits local, regional, and national artists at affordable prices. The Tour encourages and supports professional artistic activities that otherwise might not take place. Artists are required to become a resident of the community for a day and provide the community with outreach activities as well as a full concert performance.

Folk Arts Program

The Folks Arts Program of the Utah Arts Council documents the traditional arts of Utah’s cultural communities, promotes public understanding of these traditions through the production of events and educational products, and administers grants that encourage the preservation of these skills for future generations. This program exists to assist Utah’s cultural communities in perpetuating their own artistic traditions and maintaining their unique identities by offering programs, opportunities and activities that nurture and celebrate traditional artists and art forms. They identify and document artists and their work and archivally protect the resulting photographs and recordings; produce exhibits, audio-visual materials and publications; present performances, demonstrations, workshops, lectures, radio shows and festivals. They also recognize master traditional artists through the purchase of folk art for the State Arts Collection; encourage perpetuation of traditional skills through Apprenticeship Grants; assist communities in developing and sharing their arts through Ethnic Arts Grants; and offer consultations and other forms of technical assistance to individuals and groups.

<i>Visual Arts Program</i>	The Visual Arts Program focuses on five major projects. The statewide annual competition honors this by sponsoring the annual event in collaboration with hosting museums and art centers. The fellowship competition awards two fellowships per year to visual artists of exceptional ability. The Artists resource Center provides information for opportunities and workshops on professional development to all artists. Two exhibit spaces (the Glendinning and Rio Galleries) display artwork by Utah artists. All projects are available for Utah Artists. The State Fine Art Collection is recorded, conserved and displayed by the Visual Arts Program.
<i>Traveling Exhibition Program</i>	The Traveling Exhibition Program makes available professionally produced and presented art exhibits to non-profit educational institutions around the State of Utah. Twenty-three different exhibits are taken to approximately ninety locations. With each exhibit an educational book specific to each exhibit is intrigal. Booking is done on the Utah Arts Council website each spring. Exhibits are delivered and installed and remain on location for an average four week stay. Many communities around the state do not have access to museums or galleries and this is the only opportunity to view professional art.
<i>Literature Program</i>	The Literature Program provides support and services to Utah's creative writing community. Literature is one of the artistic disciplines specified in the original legislation authorizing the Utah Arts Council 1899. The writing community is Utah's largest artistic discipline in numbers of practioners. The Literature Program sponsors contest, readings, workshops, and the publication of works by Utah authors.
<i>Public Information Office</i>	The UAC's Public Information Office provides effective public relations for and on behalf of the UAC, to raise public awareness of the importance of the arts to their constituency, the public at large, and the Utah State Legislature.
<i>Utah Public Art Program</i>	Utah's Public Art Program came into existence in 1985 with passage of the Utah Percent-for-Art Act (Senate Bill 73). This legislation allocates 1 percent of construction costs, for new or re-modeled State buildings with sufficient public use, for the commissioning of public art specific to the facility and the agency housed in that facility. The legislation defines the mission of the Public Art Program to administer the appropriation set aside for public art, enhance the quality of life for Utahns by placing art of the highest quality in public spaces to be seen by the general public, promote and preserve appreciation for and exposure to the arts, foster cultural development in the State, and encourage the creativity and talents of Utah's artists and craftspeople. Utah's public art includes a variety of media, from architectural enhancing elements or landscape design to sculptures or paintings. Since the inception of the program and the support of the Utah State Legislature for fifteen years, the Public Art Program has commissioned over 200 works of art in, on around sixty-two facilities throughout the State. The program brings art and the art experience out of the museum and institution and into the every day lives of Utahns throughout the State. The wide variety in the collection ranges from sites in Blanding and St. George to Logan and Vernal.

*Individual Artist
Endowment*

The Individual Artist Endowment was funded in 1991 by the National Endowment for the Arts “with earned interest being paid to the Utah Arts Council to provide grants, fellowships and services for individual artists”. About 20 Artist Grants per year are awarded, determined by peer reviewers in all disciplines. In addition the program co-edits a quarterly listing of opportunities for artists, *ArtOps*; provides regular professional development workshops for artists; helps maintain the Artist Resource Center and assists in the formation of artist organizations. An annual exhibition of Artist Grantees and a biannual Benefit Performance of Artist Grantees showcases excellent work. A campaign to double the Individual Artist Endowment will provide fellowships for Utah’s best artists in all disciplines.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	3,117,700	2,819,300	3,015,700	2,448,300	2,448,300
General Fund, One-time				20,000	
Federal Funds	615,100	547,000	464,900	531,400	497,100
Dedicated Credits Revenue	116,300	127,200	121,600	152,000	152,000
GFR - Industrial Assistance				13,900	13,900
Transfers	688,800		8,400		
Beginning Nonlapsing	103,400	632,500	405,300	290,800	
Closing Nonlapsing	(632,500)	(405,300)	(290,800)		
Total	\$4,008,800	\$3,720,700	\$3,725,100	\$3,456,400	\$3,111,300
Programs					
Administration	1,071,300	684,100	654,300	637,000	636,200
Grants to Non-profits	1,400,700	1,375,700	1,534,000	1,160,500	1,097,600
Community Arts Outreach	1,384,800	1,660,900	1,536,800	1,658,900	1,377,500
Total	\$4,008,800	\$3,720,700	\$3,725,100	\$3,456,400	\$3,111,300
Expenditures					
Personal Services	1,075,800	1,128,500	1,087,900	1,120,500	1,120,400
In-State Travel	43,500	60,500	58,400	42,000	42,000
Out of State Travel	22,100	22,800	13,500	8,000	8,000
Current Expense	1,080,200	1,111,600	1,011,000	1,106,500	825,100
DP Current Expense	21,500	21,600	20,300	18,900	18,200
Capital Outlay	107,000				
Other Charges/Pass Thru	1,658,700	1,375,700	1,534,000	1,160,500	1,097,600
Total	\$4,008,800	\$3,720,700	\$3,725,100	\$3,456,400	\$3,111,300
FTE/Other					
Total FTE	22	22	21	21	21

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

Program		FY 2001 Actual	FY 2002 Estimated	FY 2003 Analyst
Partnership Grant				
	Federal	\$534,400	\$589,100	\$589,100
	Required State Match	3,015,700	2,699,100	2,699,100
	Total	\$3,550,100	\$3,288,200	\$3,288,200

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Joint Appropriations Subcommittee for
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State History

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1.0 Summary: State History

Summary

The Division promotes Utah's history. Its mission is "preserving and sharing Utah's past for the present and the future." It maintains a research library, marks and preserves historic sites, collects and preserves historic artifacts and documentary material, assists local history and heritage organizations statewide, edits and publishes historic records, journals, and books. It operates the State's historic preservation office in compliance with federal regulations and helps other state agencies manage historic, anthropological, and archaeological resources.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	1,775,400		1,775,400
Federal Funds	630,000		630,000
Dedicated Credits Revenue	25,000		25,000
Total	\$2,430,400	\$0	\$2,430,400
Programs			
Administration	643,000		643,000
Libraries and Collections	490,700		490,700
Public History and Education	290,400		290,400
Office of Preservation	924,500		924,500
History Projects and Grants	81,800		81,800
Total	\$2,430,400	\$0	\$2,430,400
FTE/Other			
Total FTE	33		33

2.0 Issues: State History

2.1 Sixth Special Session Reductions

An ongoing reduction of \$78,800 was made in the Sixth Special Session. The Division proposes to reduce a coordinator position to absorb the reduction.

2.2 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for State History be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

2.3 Recommendation for Study

Part of “preserving and sharing Utah’s past for the present and the future” includes meshing various elements of history, including archival material from state and local government. The Utah Division of Archives catalogs, stores and preserves many items that hold historic importance but are not always cross referenced for historians and researchers at the Division of State History. These agencies share common missions to educate, provide information and ensure preservation of artifacts and records essential to understanding Utah’s history. The Analyst believes that combining the agencies into one may provide a synergy. However, prior to making such a move a formal study should outline the impact such a move would have. To accomplish this, the Analyst recommends adoption of the following intent language:

It is the intent of the legislature that the Legislative Fiscal Analyst shall prepare a report on the feasibility of merging the Division of State History with the Division of State Archives. The study should address benefits and disadvantages such a move may bring to each division. The study should also compare structures of similar agencies in other states and provide an analysis of costs and/or cost savings. It is anticipated that this study will be reported to the Executive Appropriations Committee and Government Operations Committee prior no later than the October, 2003 Interim Meetings.

3.0 Programs: State History

3.1 Administration

Recommendation

The Analyst recommends a budget of \$643,000.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	605,800	618,000	618,000	
Dedicated Credits Revenue	10,800	25,000	25,000	
Total	\$616,600	\$643,000	\$643,000	\$0
Expenditures				
Personal Services	242,000	284,700	287,100	2,400
In-State Travel	5,200	7,800	6,700	(1,100)
Out of State Travel	1,000	3,700	3,200	(500)
Current Expense	333,600	312,000	311,200	(800)
DP Current Expense	34,800	34,800	34,800	
Total	\$616,600	\$643,000	\$643,000	\$0
FTE/Other				
Total FTE	3	4	4	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Administration Program provides the organizational infrastructure that supports all Division and Historical Society programs and activities. Administration provides leadership and management in organization, human resource management, fiscal and budgetary management, administrative rules and policies, and division planning. It is particularly involved in heritage resource stewardship issues, the construction of the State Archives building and Capitol restoration, formation and continuation of partnerships, history as an integral part of economic ecosystems, and interfacing with other agencies and levels of government. (UCA 9-8-201, 202, 203)

Activity

Heritage Education Partnerships					
1999	2000	2001	2002	2003	2004
94	97	105	110	121	130+50*
*Museums					
Heritage Economic Development Partners					
1999	2000	2001	2002	2003	2004
86	90	99	107	115	176+50*
*Museums					

Streamlining government operations and economic viability.
The Division manages over 3,000 cultural resource management cases and related data functions each year. By having one-stop shopping and quick turn-around for those doing business in Utah, they enhance Utah's economic viability.

3.2 Collections

Recommendation

The Analyst recommends a budget of \$490,700.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	725,100	490,700	490,700	
Total	<u>\$725,100</u>	<u>\$490,700</u>	<u>\$490,700</u>	<u>\$0</u>
Expenditures				
Personal Services	689,300	469,000	469,000	
Out of State Travel	300			
Current Expense	34,800	21,700	21,700	
DP Current Expense	700			
Total	<u>\$725,100</u>	<u>\$490,700</u>	<u>\$490,700</u>	<u>\$0</u>
FTE/Other				
Total FTE	13	9	9	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The research library and collections activities began in 1897 as the Utah State Historical Society. In statute, the division is directed to “stimulate research, study and activity in Utah history and related history; maintain a specialized history library; collect, preserve, and administer historical records relating to the history of Utah; administer, collect, preserve, document, interpret, develop, and exhibit historical artifacts, documentary materials, and other objects relating to the history of Utah for educational purposes”; and to “create and maintain an inventory of historic markers and monuments that are accessible to the public throughout the state.” This program fulfills those responsibilities; partners with and provides technical assistance to organizations statewide; provides online research resources, and provides a retail outlet for division publications. It also cooperates with other agencies and museums to strengthen their programs. See UCA 9-8-203.

The division promotes the education of Utah citizens and all level of students by fostering and stimulating study in and research of Utah history. It provides access and availability to Utah’s historical and documentary resources through the Internet and at a research facility. It provides access and availability to Utah’s history. In this information age, the state historical resources, and services to those resources, are available through an online collections catalog, online searchable databases, including the Governor’s Olympic Photograph collection and the Shipler Commercial Photographic collection: a searchable periodicals database, a searchable Markers and Monuments database. The site also includes over 500 archival finding aids, including manuscript and photograph registers and inventories in searchable EAD, as well as holdings lists, indexes bibliographies, and guides. This program maintains two content-rich web sites on Utah history for students of all ages and adult learners, the History For Kids and the Utah History To Go web site. It also cooperates with other agencies and museums to strengthen their programs.

Activities

1999	2000	2001	2002	2003	2004
Digitization of photographic images for availability on the Internet:					
0	0	0	4,000	9,000	Completion of project
Improved access and availability through bar-coding project of division special collections:					
0	0	10,000	20,000	60,000	Completion of project
Historical materials collected:					
		21,600 cu ft	22,500 cu ft	23,400 cu ft	24,000 cu ft

3.3 Public History and Education

Recommendation The Analyst recommends a budget of \$290,400.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	138,800	290,400	290,400	
Total	\$138,800	\$290,400	\$290,400	\$0
Expenditures				
Personal Services	133,600	272,000	272,000	
In-State Travel	900	3,000	3,000	
Out of State Travel	300	2,000	2,000	
Current Expense	4,000	13,400	13,400	
Total	\$138,800	\$290,400	\$290,400	\$0
FTE/Other				
Total FTE	2	5	5	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The program has responsibility for special events and other public programs, public education programs, web site, public and media relations, publications, history outreach programs, volunteers, and facilitating the documentation, research, and publication of Utah history. The program seeks to communicate and educate about history and the division programs in a way that will raise awareness. They also assist local historical groups in gathering and disseminating history; and to publish history. See UCA 9-8-201, 9-8-203, 9-8-206.

This program invests in people by assisting teachers and developing quality curriculum-driven education programs; working with colleges and universities to advance the teaching of state and local history; publishing materials on Utah history and prehistory; planning and executing public programs for people of all ages; and providing efficient online web services. It enhances quality of life by promoting a better understanding of the present through publications, presentations, and hands-on participatory programs; by helping local groups gather and disseminate oral and written histories; and by helping provide historical contexts for heritage tourism initiatives.

Activities

	2001	2001	2003	2004
Students reached through educational outreach programs:				
4,900	5,000	5,250	5,280	
Publications: newsletter circulation				
3,307	3,175	4,500	5,000	
Oral history program, number of histories collected				
25	25	32	35	

3.4 Office of Preservation

Recommendation The Analyst recommends a budget of \$924,500.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	498,400	294,500	294,500	
Federal Funds	516,900	630,000	630,000	
Total	\$1,015,300	\$924,500	\$924,500	\$0
Expenditures				
Personal Services	845,300	805,300	806,000	700
In-State Travel	10,700	7,900	7,900	
Out of State Travel	11,200	4,900	4,900	
Current Expense	22,600	15,900	15,900	
DP Current Expense	1,900	300	300	
Other Charges/Pass Thru	123,600	90,200	89,500	(700)
Total	\$1,015,300	\$924,500	\$924,500	\$0
FTE/Other				
Total FTE	15	15	15	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Preservation Program was created by the Legislature to be the archaeological, anthropological, and preservation authority for the state. This program is responsible for Section 106 compliance, archaeological site and project records, nominations to the National Historic Register and assistance to developers in restoring and rehabilitating historic resources through tax credits, grants, technical assistance, and heritage development. It maintains partnerships with state and federal agencies and local preservation and archaeological organizations. It consults with a variety of agencies and does outreach educational programs. See UCA 9-8-205, 303, 305, 401-405, and 503-504, and National Historic Preservation Act of 1966.

This program invests considerable effort in public education and in providing educational products and programs that promote Utah history, culture, and archaeology. It is continually working to add and improve services online, streamline governmental processes to make regulations less burdensome, and to creating partnerships. The program provides support to local development efforts through the Certified Local Government program and through grants and technical assistance. It promotes the preservation of historic and archaeological sites. The program improves the quality of life and protects the foundation of community values through the protection, enhancement, interpretation, and development of the state's heritage resources.

Archaeological Sites and Projects entered into GIS database						
	1999	2000	2001	2002	2003	2004
Sites	189	205	516			
Projects	352	361	413			
Projected Sites				1,022	2,500	3,500
Projected Projects				568	900	1,050
Assistance						
* Rehab Tax Credit Investment*	5.35 mil	34 mil	3.4 mil	12 mil	8 mil	8 mil
Review and Compliance Cases	3,003	3,447	3,586	3,600	3,650	3,670
Number of CLG's	75	75	80	83	85	87
Partnerships	7	7	7	8	9	9
Publications	3	3	3	3	3	3
*(Tax credits are driven by external factors)						

3.5 History Projects

Recommendation

The Analyst recommends a budget of \$81,800.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	470,300	81,800	81,800	
Beginning Nonlapsing	181,800	216,800		(216,800)
Closing Nonlapsing	(216,800)			
Total	\$435,300	\$298,600	\$81,800	(\$216,800)
Expenditures				
Personal Services	2,000			
In-State Travel	200	200	200	
Current Expense		2,000	2,000	
Other Charges/Pass Thru	433,100	296,400	79,600	(216,800)
Total	\$435,300	\$298,600	\$81,800	(\$216,800)
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The History Projects program administers state funded grants to various organizations, including cemeteries, local history, educational, preservation, and archaeological organizations. This program enables heritage programs statewide to do projects that benefit individuals and communities and to preserve and share heritage resources of all types. See UCA 9-8-203.

The History Project program invests in people by supporting educational projects; and it enhances Utah's life quality and economic viability by helping division partners to preserve heritage resources (which are increasingly vital to tourism and investment), encouraging quality growth principles, and supporting preservation and conservation efforts. It fulfills the Strategic Plan strategies of heritage stewardship and heritage education by working with partners to enhance their efforts.

Activities

	2000	2001	2002	2003 Est.
History				
Grants	\$40,000	\$40,000	\$20,000	\$16,900
Number of Grants	15	15	8	
Centers	8,000	16,000	12,000	10,000
Cemetery				
Grants	\$136,507	\$92,985	\$57,814	\$20,000
Number of Cemeteries	24	17	7	5

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	1,885,900	1,979,800	2,438,400	1,775,400	1,775,400
Federal Funds	582,700	551,800	516,900	630,000	630,000
Dedicated Credits Revenue			10,800	25,000	25,000
Beginning Nonlapsing	339,900	231,900	181,800	216,800	
Closing Nonlapsing	(231,900)	(181,700)	(216,800)		
Total	\$2,576,600	\$2,581,800	\$2,931,100	\$2,647,200	\$2,430,400
Programs					
Administration	598,700	585,800	616,600	643,000	643,000
Libraries and Collections	708,300	705,000	725,100	490,700	490,700
Public History and Education	120,700	131,700	138,800	290,400	290,400
Office of Preservation	903,700	972,100	1,015,300	924,500	924,500
History Projects and Grants	245,200	187,200	435,300	298,600	81,800
Total	\$2,576,600	\$2,581,800	\$2,931,100	\$2,647,200	\$2,430,400
Expenditures					
Personal Services	1,758,000	1,832,700	1,912,200	1,831,000	1,834,100
In-State Travel	17,500	19,400	17,000	18,900	17,800
Out of State Travel	12,300	10,000	12,800	10,600	10,100
Current Expense	418,700	375,700	395,000	365,000	364,200
DP Current Expense	50,600	46,500	37,400	35,100	35,100
Other Charges/Pass Thru	319,500	297,500	556,700	386,600	169,100
Total	\$2,576,600	\$2,581,800	\$2,931,100	\$2,647,200	\$2,430,400
FTE/Other					
Total FTE	33	33	33	33	33

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

		FY 2001	FY 2002	FY 2003
Program		Actual	Estimated	Analyst
Historic Preservation Fund	Federal	516,900	630,000	630,000
	Required State Match	344,600	420,000	420,000
	Total	<u>\$861,500</u>	<u>\$1,050,000</u>	<u>\$1,050,000</u>

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Utah State Historical Society

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Utah State Historical Society

Summary

The Utah State Historical Society and the Division of State History were established in statute (UCA 9-8-207) when the Society's name was changed to the Division of State History in 1967. The Society is the Division's membership and fund-raising arm. It solicits gifts and grants; operates the bookstore; promotes and sells membership; sells the *Utah Historical Quarterly* and other publications; and participates in historical commemorations.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
Federal Funds	225,000		225,000
Dedicated Credits Revenue	287,000		287,000
Total	\$512,000	\$0	\$512,000
Programs			
State Historical Society	512,000		512,000
Total	\$512,000	\$0	\$512,000
FTE/Other			
Total FTE	2		2

3.1 Programs: Utah State Historical Society

Recommendation The Analyst recommends a budget of \$512,000.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	208,200	103,700	225,000	121,300
Dedicated Credits Revenue	208,100	297,300	287,000	(10,300)
Beginning Nonlapsing	235,200	184,400		(184,400)
Closing Nonlapsing	(184,400)			
Total	\$467,100	\$585,400	\$512,000	(\$73,400)
Expenditures				
Personal Services	134,400	91,100	91,500	400
In-State Travel	800	4,000	4,000	
Out of State Travel	1,500	5,000	5,000	
Current Expense	299,500	392,100	318,300	(73,800)
DP Current Expense	13,200	13,200	13,200	
Capital Outlay	7,400			
Other Charges/Pass Thru	10,300	80,000	80,000	
Total	\$467,100	\$585,400	\$512,000	(\$73,400)
FTE/Other				
Total FTE	4	2	2	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Summary

The Utah State Historical Society and the Division of State History were established in statute when the Society's name was changed to the Division of State History in 1967. The Society is the Division's membership and fund-raising arm. It solicits gifts and grants; operates the bookstore; promotes and sells membership; sells the *Utah Historical Quarterly* and other publications; and participates in historical commemorations.

Activities

	FY 2001	FY 2002	FY 2003
Annual Meeting Attendance	150	150	175
Statehood Day Attendance	200	200	220 projected
Prehistory Week: Over the past 14 years it has grown to participation of 10,000 statewide			
Prehistory Week HS Attendance	615	750	1,000 projected

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
Federal Funds	104,400	102,200	208,200	103,700	225,000
Dedicated Credits Revenue	192,800	214,300	208,100	297,300	287,000
Transfers - DCED	178,500	5,000			
Beginning Nonlapsing	140,200	206,600	235,200	184,400	
Closing Nonlapsing	(206,600)	(235,200)	(184,400)		
Total	\$409,300	\$292,900	\$467,100	\$585,400	\$512,000
Programs					
State Historical Society	409,300	292,900	467,100	585,400	512,000
Total	\$409,300	\$292,900	\$467,100	\$585,400	\$512,000
Expenditures					
Personal Services	152,500	129,700	134,400	91,100	91,500
In-State Travel	2,800	5,400	800	4,000	4,000
Out of State Travel	2,400	2,900	1,500	5,000	5,000
Current Expense	205,100	152,400	299,500	392,100	318,300
DP Current Expense	11,000	500	13,200	13,200	13,200
Capital Outlay			7,400		
Other Charges/Pass Thru	35,500	2,000	10,300	80,000	80,000
Total	\$409,300	\$292,900	\$467,100	\$585,400	\$512,000
FTE/Other					
Total FTE	4	4	4	2	2

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

		FY 2002	FY 2003	FY 2004
Program		Actual	Estimated	Analyst
Interagency Task Force	Federal	208,200	103,700	225,000
	Required State Match			
	Total	\$208,200	\$103,700	\$225,000

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Community Development and Human Resources

State Fair Corporation

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: State Fair Corporation

The State Fair is an “independent public nonprofit corporation” that operates the Utah State Fair and the facilities year round. Utah’s first State Fair was held in 1856, just nine years after the pioneers arrived. The Fair promotes agriculture, home arts, business, and fine arts.

The legislative intent of privatizing the Fair is to make it independent of state funds although it is authorized to receive appropriations indefinitely.

	Analyst FY 2004	Analyst FY 2004	Analyst FY 2004
	Base	Changes	Total
Financing			
General Fund	343,300	50,000	393,300
Dedicated Credits Revenue	3,936,900		3,936,900
Beginning Nonlapsing	661,500		661,500
Closing Nonlapsing	(303,900)		(303,900)
Total	\$4,637,800	\$50,000	\$4,687,800
Programs			
Utah State Fair Corporation	4,637,800	50,000	4,687,800
Total	\$4,637,800	\$50,000	\$4,687,800
FTE/Other			

2.0 Issues: State Fair

2.1 State Fair Funding

The legislative intent of privatizing the Fair is to make it independent of state funds although it is authorized to receive appropriations indefinitely. The attendance over the past couple of years has dropped resulting in a negative operating cost flow which has caused the fair to draw down nonlapsing balances. If current fair projections hold, the fair will not have enough money in FY 2005 to put on the event.

3.0 Programs: State Fair Corporation

3.1 Administration

Recommendation

The Analyst recommends a budget of \$4,687,800.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	553,500	343,300	393,300	50,000
Dedicated Credits Revenue	3,965,200	3,643,700	3,936,900	293,200
Beginning Nonlapsing	1,523,000	1,184,000	661,500	(522,500)
Closing Nonlapsing	(1,184,000)	(661,500)	(303,900)	357,600
Total	\$4,857,700	\$4,509,500	\$4,687,800	\$178,300
Expenditures				
Other Charges/Pass Thru	4,857,700	4,509,500	4,687,800	178,300
Total	\$4,857,700	\$4,509,500	\$4,687,800	\$178,300
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The corporation operates the Utah State Fair and the facilities year round. Utah's first State Fair was held in 1856, just nine years after the pioneers arrived. The Fair promotes agriculture, home arts, business, and fine arts.

The legislative intent of privatizing the Fair is to make it independent of state funds although it is authorized to receive appropriations indefinitely. The attendance over the past couple of years has dropped resulting in a negative operating cost flow which has caused the fair to draw down nonlapsing balances. If current fair projections hold, the fair will not have enough money in FY 2005 to put on the event.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	370,000	370,000	553,500	343,300	393,300
General Fund, One-time	100,000	220,000			
Dedicated Credits Revenue	3,684,800	3,847,500	3,965,200	3,643,700	3,936,900
Transfers		15,000			
Beginning Nonlapsing	1,321,400	1,534,800	1,523,000	1,184,000	661,500
Closing Nonlapsing	(1,534,800)	(1,523,000)	(1,184,000)	(661,500)	(303,900)
Total	\$3,941,400	\$4,464,300	\$4,857,700	\$4,509,500	\$4,687,800
Programs					
Utah State Fair Corporation	3,941,400	4,464,300	4,857,700	4,509,500	4,687,800
Total	\$3,941,400	\$4,464,300	\$4,857,700	\$4,509,500	\$4,687,800
Expenditures					
Other Charges/Pass Thru	3,941,400	4,464,300	4,857,700	4,509,500	4,687,800
Total	\$3,941,400	\$4,464,300	\$4,857,700	\$4,509,500	\$4,687,800
FTE/Other					

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Community Development and Human Resources

Department of Community and Economic Development
Zoos

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Zoos

The State provides support for zoos through this program.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	1,323,700	75,000	1,398,700
Total	<u>\$1,323,700</u>	<u>\$75,000</u>	<u>\$1,398,700</u>
Programs			
Zoos	1,323,700	75,000	1,398,700
Total	<u>\$1,323,700</u>	<u>\$75,000</u>	<u>\$1,398,700</u>
FTE/Other			

3.0 Programs: Zoos

3.1 Administration

Recommendation

The Analyst recommends a budget of \$1,398,700. Of that amount, 94.7 percent goes to Hogle Zoo (Utah Zoological Society) and 5.3 percent goes to Logan City's Willow Park Zoo. This program provides pass through funding. During the Sixth Special Session Zoo funding was reduced by \$58,800. In the 2002 General Session funding of \$75,000 was taken on a one-time basis. This funding has been restored as part of the FY 2004 base budget.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,607,500	1,323,700	1,398,700	75,000
Total	\$1,607,500	\$1,323,700	\$1,398,700	\$75,000
Expenditures				
Other Charges/Pass Thru	1,607,500	1,323,700	1,398,700	75,000
Total	\$1,607,500	\$1,323,700	\$1,398,700	\$75,000
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	1,730,000	1,730,000	1,607,500	1,323,700	1,398,700
Total	\$1,730,000	\$1,730,000	\$1,607,500	\$1,323,700	\$1,398,700
Programs					
Zoos	1,730,000	1,730,000	1,607,500	1,323,700	1,398,700
Total	\$1,730,000	\$1,730,000	\$1,607,500	\$1,323,700	\$1,398,700
Expenditures					
Other Charges/Pass Thru	1,730,000	1,730,000	1,607,500	1,323,700	1,398,700
Total	\$1,730,000	\$1,730,000	\$1,607,500	\$1,323,700	\$1,398,700
FTE/Other					

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Community Development - Capital

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Programs: Department of Community & Economic Development - Community Development Capital Program

Summary

These programs mitigate the impacts of non-metallic mineral extraction and help fund special service districts.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
Federal Mineral Lease	1,550,300		1,550,300
Permanent Community Impact	16,278,600		16,278,600
Repayments	12,000,000		12,000,000
Total	\$29,828,900	\$0	\$29,828,900
Programs			
Permanent Community Impact Board	28,278,600		28,278,600
Special Service Districts	1,550,300		1,550,300
Total	\$29,828,900	\$0	\$29,828,900
FTE/Other			

3.0 Programs: Department of Community & Economic Development - Permanent Community Impact Fund

3.1 Department of Community & Economic Development - Permanent Community Impact Fund

Recommendation The Analyst recommends a budget of \$28,278,600.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Permanent Community Impact	17,663,000	20,638,900	16,278,600	(4,360,300)
Repayments		12,000,000	12,000,000	
Lapsing Balance	(9,624,300)			
Total	\$8,038,700	\$32,638,900	\$28,278,600	(\$4,360,300)
Expenditures				
Other Charges/Pass Thru	8,038,700	32,638,900	28,278,600	(4,360,300)
Total	\$8,038,700	\$32,638,900	\$28,278,600	(\$4,360,300)
FTE/Other				

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Utah is energy rich in coal, hydroelectric, geothermal, natural gas, uranium and crude oil. The energy industry not only includes production of energy fuels, but the conversion of these resources into other forms of energy such as petroleum and electricity. This energy is used in Utah, shipped to other surrounding states, or exported to overseas markets.

In order to help mitigate local impacts of major energy and mineral development on federal lands, the federal government returns half of the royalty revenues collected back to the State of origin. The royalties collected are called mineral lease funds. Because of the significant extent of federal lands in Utah, these impacts are extensive.

Utah puts the funds into two General Fund - Restricted Accounts. The Mineral Lease Account is general royalty revenue returned to the State. The Mineral Lease Bonus Account originally came from the Department of Interior oil shale prototype leases known as U-a and U-b, located in eastern Utah. Currently, Bonus Revenue includes revenue from lease renewal fees and leases obtained from new mineral development.

In FY 2002, Federal Mineral Lease Funds were distributed as follows:

Permanent Community Impact Fund	32.50%
Board of Education	2.25%
Utah Geologic Survey	2.25%
Utah State University/Water Research Laboratory	2.25%
Department of Community & Economic Development	5.00%
Department of Transportation for Special Service Districts	40.00%
Payment in Lieu of Taxes (PILT) on State Lands	7.75%
Unallocated balance to the Permanent Community Impact Fund	<u>8.00%</u>
	100.00%

An 11 member board administers the Permanent Community Impact Fund. The board has been granted the authority to make grants and loans to subdivisions of the State for planning, the construction and maintenance of public facilities; or the provision of public services.

State statutes specifically defines a “subdivision” as any county, city, town, school district, housing authority, building authority, special service district, water conservancy district, county service area, special improvement district, water or sewer improvement district, and public post secondary institution.

The Division of Community Development provides staff support to the Permanent Community Impact Fund and its Board. The Division works with programs supporting local governments and sub-state districts.

The Permanent Community Impact Fund Board reviews and authorizes funding assistance on a “Trimester” basis. Meetings are held the first Thursday of each month. The initial meetings of each “Trimester” are “Projected Review Meeting”. The final meeting of each “Trimester” is the “Prioritization and Funding Meeting”. “Prioritization and Funding Meetings” are held in April, August and December.

The deadlines for submitting application for each of the Trimesters are: First Trimester, December 1st, Second Trimester, April 1st, Third Trimester, August 1st.

3.2 Programs: Special Districts

Recommendation The Analyst recommends a budget of \$1,550,300.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Federal Mineral Lease	1,477,000	1,350,000	1,550,300	200,300
Total	\$1,477,000	\$1,350,000	\$1,550,300	\$200,300
Expenditures				
Other Charges/Pass Thru	1,477,000	1,350,000	1,550,300	200,300
Total	\$1,477,000	\$1,350,000	\$1,550,300	\$200,300
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

Section 59-21-2(2)(g) directs a portion of the State's Mineral Lease receipts to be appropriated to the Department of Community and Economic Development (DCED) for distribution to special services districts within:

- ▶ Counties of the third, fourth, fifth or sixth class;
- ▶ Which generate 4/5 percent or less of the Mineral Lease receipts;
- ▶ That are significantly socially or economically impacted by the development of minerals, as a result of either the transportation of hydrocarbons within the county, the employment of persons involved in hydrocarbon extraction, or both.

In FY 2001, the eligible counties were:

- ▶ Daggett
- ▶ Juab
- ▶ Rich
- ▶ Wasatch
- ▶ Garfield
- ▶ Millard
- ▶ Sanpete
- ▶ Wayne
- ▶ Grand
- ▶ Piute
- ▶ Summit

Although an amount to be passed through is appropriated to DCED, the distribution is (by statute) based on actual receipts received by the State.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
Federal Mineral Lease	14,539,300	2,479,800	1,477,000	1,350,000	1,550,300
Permanent Community Impact	12,865,000	18,451,500	17,663,000	20,638,900	16,278,600
Transfers	(12,865,000)				
Repayments	10,782,500	10,300,000		12,000,000	12,000,000
Lapsing Balance	(5,280,600)	(6,884,400)	(9,624,300)		
Total	\$20,041,200	\$24,346,900	\$9,515,700	\$33,988,900	\$29,828,900
Programs					
Permanent Community Impact Board	18,366,900	21,867,100	8,038,700	32,638,900	28,278,600
Special Service Districts	1,674,300	2,479,800	1,477,000	1,350,000	1,550,300
Total	\$20,041,200	\$24,346,900	\$9,515,700	\$33,988,900	\$29,828,900
Expenditures					
Other Charges/Pass Thru	20,041,200	24,346,900	9,515,700	33,988,900	29,828,900
Total	\$20,041,200	\$24,346,900	\$9,515,700	\$33,988,900	\$29,828,900
FTE/Other					

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

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FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Division of Community Development

Contents:

- 1.0 Summary
- 2.0 Issues
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1.0 Division of Community Development

Summary

The Division provides technical assistance, grants and loans to help local governments, agencies and citizens develop public infrastructure and services to improve the quality of life in Utah.

The Division also manages a capital budget and provides administrative support and programmatic oversight to the other boards and committees.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	3,390,300	485,900	3,876,200
Federal Funds	33,123,100		33,123,100
Dedicated Credits Revenue	642,000	51,000	693,000
GFR - Homeless Trust	250,000		250,000
Permanent Community Impact	735,000		735,000
Transfers	2,030,000	60,000	2,090,000
Total	\$40,170,400	\$596,900	\$40,767,300
Programs			
Weatherization Assistance	4,828,400		4,828,400
CD Administration	440,300		440,300
Museum Services	277,200		277,200
Community Assistance	12,009,800		12,009,800
Pioneer Communities	222,200		222,200
Housing Development	1,425,900		1,425,900
Community Services	3,010,400		3,010,400
Homeless Committee	2,386,500		2,386,500
Commission on Volunteers	2,722,100		2,722,100
Martin Luther King Commission	68,200		68,200
HEAT	12,260,000		12,260,000
Asian Affairs		122,100	122,100
Black Affairs		121,100	121,100
Hispanic Affairs		169,000	169,000
Pacific Islander Affairs		184,700	184,700
Emergency Food	134,400		134,400
Special Housing	385,000		385,000
Total	\$40,170,400	\$596,900	\$40,767,300
FTE/Other			
Total FTE	42	8	50

2.0 Issues: Division of Community Development

2.1 Sixth Special Session Reductions

An ongoing reduction of \$150,400 was made in the Sixth Special Session. The Division proposes to redistribute the reduction to affordable housing and the Olene Walker Housing Loan Fund (\$15,000 housing planning, \$157,000 OWHLF). They would also absorb the reductions for the Ethnic Offices which are being considered for consolidation in Community Development.

2.2 Intent Language

The Analyst recommends the following intent:

It is the intent of the Legislature that funding for Community Development be nonlapsing.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the 2004 General Session.

2.3 Agency Restructuring

In FY 2002, the four state Ethnic Offices (Office of Asian Affairs, Office of Black Affairs, Office of Hispanic Affairs and Office of Pacific Islander Affairs) were moved from the Division of Business and Economic Development to the Division of Community Development. Although each of these offices retained separate line item status in the agency budget, this restructuring, as well as the alignment of these offices with the Martin Luther King Human Rights Commission, capitalizes on the logical extension into communities and community programs managed by the division. Beginning in, FY 2003 the Analyst recommends making the offices separate programs under the Community Development budget. This should help mitigate the impacts of authorized budget reductions.

2.4 Association of Governments Funding

During the FY 2002 General Session the Committee recommended funding the pass-through to the Association of Governments with Permanent Community Impact Funds. Due to funding constraints, it is the recommendation of the Analyst that this process continue for another year with the intent recommended below.

The Legislature intends that the Permanent Community Impact Fund Board (PCIFB) appropriate one-time funding of \$238,400 in FY 2004 to be distributed equally between the seven Association of Governments in the state of Utah. These funds are to be used by the Association of Governments for planning, studies, and other activities provided by the Association of Governments to member organizations.

3.0 Programs: Community Development

3.1 Administration

Recommendation

Analyst's recommends a budget of \$440,300.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	741,200	100,300	100,300	
Permanent Community Impact	215,000	365,900	340,000	(25,900)
Beginning Nonlapsing	10,200	4,400		(4,400)
Closing Nonlapsing	(4,400)			
Total	\$962,000	\$470,600	\$440,300	(\$30,300)
Expenditures				
Personal Services	604,200	518,800	518,600	(200)
In-State Travel	3,100	6,000	5,000	(1,000)
Out of State Travel	19,700	22,300	19,400	(2,900)
Current Expense	(214,500)	(88,500)	(111,700)	(23,200)
DP Current Expense	8,800	10,000	9,000	(1,000)
DP Capital Outlay	900			
Other Charges/Pass Thru	539,800	2,000		(2,000)
Total	\$962,000	\$470,600	\$440,300	(\$30,300)
FTE/Other				
Total FTE	10	9	9	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

This program provides leadership to and financial management of division programs. It also administers several pass-thru programs, including financial support for the Associations of Government passed-through by contract to the Governor's Office of Planning and Budget. Financial support for the Association of Governments is currently coming from the Permanent Community Impact Fund.

3.2 Museum Services

Recommendation

The Analyst recommends a budget of \$277,200.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	338,700	277,200	277,200	
General Fund, One-time	1,000,000	99,000		(99,000)
Beginning Nonlapsing	76,800	126,000		(126,000)
Closing Nonlapsing	(126,000)			
Total	\$1,289,500	\$502,200	\$277,200	(\$225,000)
Expenditures				
Personal Services	108,700	118,400	113,600	(4,800)
In-State Travel	2,500	5,000	5,000	
Out of State Travel	3,000	5,200	5,200	
Current Expense	65,500	74,100	36,700	(37,400)
DP Current Expense	3,800	4,000	4,000	
Other Charges/Pass Thru	1,106,000	295,500	112,700	(182,800)
Total	\$1,289,500	\$502,200	\$277,200	(\$225,000)
FTE/Other				
Total FTE	2	2	2	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The 1993 Legislature established the Utah Office of Museum Services within the Division of Community Development. A community based advisory board was appointed by Governor Leavitt to create programs that will assist Utah museums. The mission of the Office of Museum Services is to promote Utah museums and the role they play in the state as sources of community pride, centers of public education, and institutions that encourage economic development and tourism. The Office assists Utah museums in improving their ability to:

- ▶ care for and manage collection
- ▶ develop quality educational resources
- ▶ provide access to collections for research; and
- ▶ identify and successfully compete for financial resources.

Activities

- ▶ The Office of Museum Services collaborated with the 2002 Olympics to sponsor the Cultural Olympiad on Tour. Ten museums received grants to host an exhibit during the 2002 Olympic Winter Games.
- ▶ A major responsibility of the Office of Museum Services is to help museums realize their public potential. To fulfill part of this responsibility, State Performance Goals have been established in an effort to raise the professional level of Utah's museums. Nine museums were certified by the Office of Museum Services for achieving State Performance Goals during FY 2002.

- ▶ A workshop was presented on photographic care and preservation. Information was provided on early photography; black and white, color; and digital photography.
- ▶ The Office joined with the Utah Humanities Council and other statewide agencies to help sponsor, Yesterday's Tomorrows, a traveling exhibition of the Smithsonian Institution's Museum on Main Street initiative.
- ▶ The Office funded \$960,420 in grants to 162 museums in FY 2002.

3.3 Community Assistance

Recommendation

The Analyst recommends a budget of \$12,009,800 with \$159,400 coming from the General Fund.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	318,800	159,400	159,400	
Federal Funds	6,998,100	11,077,200	11,455,400	378,200
GFR - Constitutional Defense	100,000			
Permanent Community Impact	417,000	460,200	395,000	(65,200)
Beginning Nonlapsing	75,000			
Total	\$7,908,900	\$11,696,800	\$12,009,800	\$313,000
Expenditures				
Personal Services	519,500	575,600	586,900	11,300
In-State Travel	32,700	34,000	34,000	
Out of State Travel	11,300	10,000	10,800	800
Current Expense	287,500	282,800	213,600	(69,200)
DP Current Expense	3,700	4,500	4,500	
Other Charges/Pass Thru	7,054,200	10,789,900	11,160,000	370,100
Total	\$7,908,900	\$11,696,800	\$12,009,800	\$313,000
FTE/Other				
Total FTE	9	9	9	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Community Assistance program administers the federal Community Development Block Grant (CDBG). It also provides staff leadership for and financial management of the Permanent Community Impact Fund, the Navajo Revitalization Fund, the Uintah Basin Revitalization Fund, the Rural Development Fund and the Rural Electronic Commerce Communications System Fund.

The **Community Development Block Grant** program provides funds in the state's non-entitlement communities for public facilities, infrastructure, housing and economic development opportunities. (Non-entitlement communities are defined as those cities or counties with populations of less than 50,000 or 200,000 people respectively. Entitlement communities get their CDBG funds directly from the U.S. Department of Housing and Urban Development.) The Community Development Block Grant Policy Committee, made up of elected officials from each of the seven Association of Government offices, provides oversight of the program.

Priority is given to activities which will carry out one of three national objectives: the provision of primary benefit to low and moderate income persons, the elimination of a slum or blighted condition in communities, or the removal of an urgent public health or welfare issue. Typical projects include the construction or repair of public facilities, property acquisition for facilities development, services to eligible groups such as abused spouses, children or the elderly, community planning, housing assistance to low income persons, and economic development/job creation. Special set-asides of funds can also be created by the Policy Commission to address problems or issues of special concern in the state, such as the elimination of lead based paint hazards, the need for training and financial assistance to first-time low-income homebuyers, or water studies, for example. The Policy Committee also has authority to use program funds for short-term financing for economic development projects.

The **Community Impact Fund** is defined in **Community Development Capital Programs**. Administrative funding and costs for staff support and board expenses as well as staff time spent on Federal Mineral Lease and Exchanged Land Mineral Lease --analysis for the state are included in the Community Assistance Program.

The **Navajo Revitalization Fund Board** and the **Uintah Basin Revitalization Fund Board** are authorized in statute to maximize the long-term benefit of state severance taxes paid on oil and natural gas production. Revenue from these taxes fund grants and loans to agencies of state, county or tribal government in San Juan County for the benefit of Navajo Nation members and for Ute Indian Tribe members of the Uintah and Ouray Reservation and in Duchesne and Uintah Counties. Administrative costs for staff support are included in the Community Assistance Program.

The **Rural Development Fund Board** assists south-central Utah communities in the development of capital facilities and infrastructure to mitigate the impact of state and federal land exchanges associated with the creation of the Grand Staircase-Escalante National Monument. Administrative costs for staff support are included in the Community Assistance Program.

The **Rural Electronics Commerce Communications Systems Fund Board** assists rural communities in the preservation and promotion of communication systems such as broadcast television. Administrative costs for staff support are included in the Community Assistance Program.

Activities

Only CDBG activities are included in the Community Assistance Budget. For FY 2002, funds were allocated to the seven planning regions as follows:

Bear River Association of Governments	\$1,071,409
Wasatch Front Regional Council	\$2,327,812
Mountainland Association of Governments	\$1,667,161
Uintah Basin Association of Governments	\$424,356
Six County Association of Governments	\$598,075
Five County Association of Governments	\$1,104,212
Southeastern Utah Association of Local Governments	<u>\$516,676</u>
Total	<u>\$7,709,701</u>

This CDBG program, which began operation in Utah in 1982, continues to be one of the most widely used programs by the state's smaller communities to help them assist those most in need within their boundaries. The state, to date, has received more than \$127,496,130 for this program from the Department of Housing and Urban Development, which does not include the money leveraged over that 21-year time span by the participating entities. Estimated local leverage is comparable to the federal contribution.

3.4 Pioneer Communities

Recommendation The Analyst's recommends a budget of \$222,200.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	231,400	222,200	222,200	
Beginning Nonlapsing	19,400	17,900		(17,900)
Closing Nonlapsing	(17,900)			
Total	<u>\$232,900</u>	<u>\$240,100</u>	<u>\$222,200</u>	<u>(\$17,900)</u>
Expenditures				
Personal Services	66,100	69,700	69,700	
In-State Travel	2,700	2,000	2,000	
Out of State Travel	1,500	2,600	2,600	
Current Expense	34,500	38,000	38,000	
DP Current Expense	400	600	600	
Other Charges/Pass Thru	127,700	127,200	109,300	(17,900)
Total	<u>\$232,900</u>	<u>\$240,100</u>	<u>\$222,200</u>	<u>(\$17,900)</u>
FTE/Other				
Total FTE	1	1	1	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

Pioneer Communities is comprised of two programs, the Utah Main Street Program and a regional heritage development component.

Utah Main Street helps communities under 50,000 in population revitalize their historic business districts. Main Street Partner communities receive ongoing, long-term training, technical assistance, and funding to complete a comprehensive downtown revitalization work plan.

Currently, there are eight Main Street Partners: American Fork, Helper, Logan, Mt. Pleasant, Panguitch, Payson, Richfield, and Roosevelt. Two additional towns are expected to come on as partners in the next few months (Springville, Tooele). Main Street provides general assistance (workshops, project planning, etc.) to other communities working to revitalize their downtowns. Grants are offered to owner of historic commercial buildings in downtowns around the state to encourage them to rehabilitate those properties and stimulate economic activity.

There are three different types of grants awarded. The first is "start-up" grants to Partner communities of \$10,000 a year for the first three years of a local Main Street Program's existence. Currently, Logan, Richfield, and Roosevelt are receiving those grants. The Program has awarded grants to owners of historic commercial building to help them rehabilitate those buildings; in 2002 they awarded 13 grants for \$51,700. Special Projects grants are offered to non-Partner communities to help them complete projects related to downtown revitalization. These grants come up rarely and only one is in process now.

Pioneer Communities also provides assistance to regions undertaking heritage development. Staff currently serves as the state liaison to the Heritage Highway 89 Alliance and provides ad hoc assistance to other regions, as requested.

3.5 Housing Development

Recommendation

The Analyst recommends a budget of \$1,425,900 with \$723,800 in General Fund.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	430,900	723,800	723,800	
Federal Funds	216,700	702,100	702,100	
Transfers	49,200	945,200		(945,200)
Beginning Nonlapsing	48,000	90,300		(90,300)
Closing Nonlapsing	(90,300)			
Total	\$654,500	\$2,461,400	\$1,425,900	(\$1,035,500)
Expenditures				
Personal Services	338,400	368,400	345,700	(22,700)
In-State Travel	6,700	12,500	12,500	
Out of State Travel	20,100	25,800	25,800	
Current Expense	105,200	142,600	89,200	(53,400)
DP Current Expense	5,200	4,300	4,400	100
Other Charges/Pass Thru	178,900	1,907,800	948,300	(959,500)
Total	\$654,500	\$2,461,400	\$1,425,900	(\$1,035,500)
FTE/Other				
Total FTE	5	5	5	(0)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Housing Development Program, under the umbrella title **Olene Walker Housing Loan Fund (OWHLF)**, includes resources from the state General Fund appropriation and the federal HOME Program award from The Department of Housing and Urban Development. The Fund is also supported by revenue generated from loan repayments, interest income and investment income.

The OWHLF plays key role in the assessment of statewide housing needs, and participates in financing for the affordable housing projects throughout the state. Single and multi-family projects are eligible. The Olene Walker Housing Loan Fund Board provides oversight of the program.

Activities

- ▶ During FY 2002, the OWHLF Board and the Housing Staff continued the implementation of House Bill 151, and adapted the OWHLF Multi-and Single Family allocation plans to more closely reflect the requirements of House Bill 151.
- ▶ In FY 2002 the fund participated in 39 rehabilitation and/or acquisition projects of single-family homes statewide for individuals with incomes less than 47 percent of area median income.

- ▶ State of Utah Housing staff continued to track the trends in rural housing that reflect the negative effects of the downturn in the economy. More calls and referrals are being received from rural Utah concerning families losing their home-ownership opportunity because of lost income through down-sizing and layoffs.
- ▶ State of Utah Housing Staff has also seen increases in referrals from elderly and disabled clients who are unable to find affordable housing, specifically in rural Utah. The OLWHLF staff has responded by allowing priority funding for projects in rural Utah that preserve or create deeply targeted rental projects, or projects which preserve or create affordable housing.
- ▶ The OLWHLF participated in the financing of 550 units either created or preserved for individuals with incomes of less than 50 percent of area median income. This includes 160 units in rural Utah.

3.6 Community Services

Recommendation

The Analyst recommends a budget of \$3,010,400. Of this amount \$42,300 is from the General Fund

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	39,900	42,300	42,300	
Federal Funds	3,213,000	3,132,500	2,968,100	(164,400)
Total	\$3,252,900	\$3,174,800	\$3,010,400	(\$164,400)
Expenditures				
Personal Services	129,700	129,300	151,600	22,300
In-State Travel	8,500	9,400	9,400	
Out of State Travel	8,400	9,400	9,400	
Current Expense	34,300	38,600	37,000	(1,600)
DP Current Expense	1,300	2,000	2,000	
Other Charges/Pass Thru	3,070,700	2,986,100	2,801,000	(185,100)
Total	\$3,252,900	\$3,174,800	\$3,010,400	(\$164,400)
FTE/Other				
Total FTE	3	2	3	0
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The Community Services Block Grant (CSBG) program is a federal formula-based appropriation administered by the State Community Services Office for community action program (CAPs) across the state. The community action programs provide local leadership and support to combat the causes, as well as the effects of poverty.

There are nine community action programs serving all 29 counties in Utah. Community action programs implement the self-help philosophy through a process of innovative, practical and timely programs and services that emphasize self-sufficiency while addressing the immediate financial crisis needs of low-income people. Community action programs serve as a catalyst to coordinate efforts, to mobilize resources and to encourage other organizations to deliver needed services.

Activities

Ninety-five percent of the funding for this program is passed through to the community action programs, with 90 percent being used for program activity at the local level.

Programs are designed to meet the special needs within the local communities. Around the state, a variety of services are provided, such as regional food banks and food pantries, outreach services, the Home Energy Assistance Target Program (HEAT), emergency services, home buyer education, mortgage default counseling, shelter services, eviction prevention and emergency rental assistance, senior services, budget counseling, and more.

Two-thirds of the families assisted, or 63 percent, are families that include children.

Nearly 80 percent of the single parent families assisted by these programs are not receiving assistance from other sources.

3.7 Commission on Volunteers

Recommendation The Analyst recommends a total budget of \$2,722,100 with \$89,700 coming from the General Fund.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	193,600	89,700	89,700	
Federal Funds	2,687,300	3,208,600	2,632,400	(576,200)
Beginning Nonlapsing	134,700	105,700		(105,700)
Closing Nonlapsing	(105,700)			
Total	\$2,909,900	\$3,404,000	\$2,722,100	(\$681,900)
Expenditures				
Personal Services	359,900	372,900	346,900	(26,000)
In-State Travel	18,900	19,000	19,000	
Out of State Travel	11,900	10,000	8,000	(2,000)
Current Expense	114,800	32,100	28,000	(4,100)
DP Current Expense	1,600	2,000	2,000	
Other Charges/Pass Thru	2,402,800	2,968,000	2,318,200	(649,800)
Total	\$2,909,900	\$3,404,000	\$2,722,100	(\$681,900)
FTE/Other				
Total FTE	6	6	6	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose The mission of the Utah Commission on Volunteers is to improve communities through service and volunteering in Utah. The mission is accomplished through three main efforts: administration of programs of the Corporation for National and Community Service (CNCS), including AmeriCorps and Learn & Serve; establishment and support of local Volunteer Centers; and the promotion and support of the Utah's Promise efforts.

Activities The number of collaborative partners the Commission works with continues to increase.

Currently, the Commission has established 17 Local Volunteer Centers serving 26 of the 29 counties.

3.8 Homeless Committee

Recommendation

The Analyst recommends a base budget of \$2,386,500. Recommended General Funds total \$1,589,500.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	1,749,500	1,589,500	1,589,500	
Federal Funds	577,100	547,000	547,000	
GFR - Homeless Trust	150,000	150,000	250,000	100,000
Lapsing Balance	(47,800)			
Total	\$2,428,800	\$2,286,500	\$2,386,500	\$100,000
Expenditures				
Personal Services	63,800	36,300	36,300	
In-State Travel	2,000	9,900	9,900	
Out of State Travel	800	8,000	7,200	(800)
Current Expense	86,800	39,300	40,100	800
DP Current Expense		1,200	1,200	
Other Charges/Pass Thru	2,275,400	2,191,800	2,291,800	100,000
Total	\$2,428,800	\$2,286,500	\$2,386,500	\$100,000
FTE/Other				
Total FTE	1	1	1	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This Homeless Committee Program channels state and federal funds to state and local homeless and housing service providers. Resources include funds from the Homeless Trust Fund General Fund appropriation, the Critical Needs Housing General Fund appropriation, HUD's Emergency Shelter Program, and revenues generated by the Homeless Trust Fund Tax Check-off Campaign.

The State Homeless Coordinating Committee, appointed by the Governor, provides oversight of the program and approves allocation of funding. Likewise, the Committee ensures that services provided to the homeless are provided in a cost effective manner and works to facilitate a better understanding of the concept of homelessness. Programs funded emphasize emergency housing and self-sufficiency, including placement in employment or occupational training activities, and where needed, special services to meet the unique needs of the homeless with mental illness and those who are in families with children. Contracts are awarded to local providers based on need, diversity of geographic location, coordination with or enhancement of existing services, and use of volunteers.

The demand for these funds is reflected in the increase in poverty and homelessness statistics documented in the state:

- ▶ An estimated 60,500 (8.6 percent) of Utah's children between the ages 0-17 live at or below the Federal Poverty Level (FPL). Approximately 263,000 (37.2 percent) of Utah's children live at or below 200 percent of the FPL. For a family of three, the FPL is \$13,470.
- ▶ Ten Utah counties have poverty rates above the national average.

Activities

A variety of services were provided from the three funding sources, including meals, transitional housing, temporary shelter, emergency home repair, case management, homeless prevention, maintenance and operation at the service agency, essential services including job placement and training, education, grants to leverage other housing funds, disabled access design, home construction and daycare.

3.9 Emergency Food

Recommendation

The Analyst recommends a total budget of \$134,400.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	170,000	134,400	134,400	
Beginning Nonlapsing	18,600	9,000		(9,000)
Closing Nonlapsing	(9,000)			
Total	<u>\$179,600</u>	<u>\$143,400</u>	<u>\$134,400</u>	<u>(\$9,000)</u>
Expenditures				
Other Charges/Pass Thru	179,600	143,400	134,400	(9,000)
Total	<u>\$179,600</u>	<u>\$143,400</u>	<u>\$134,400</u>	<u>(\$9,000)</u>
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

Funding provided to the Emergency Food Network (EFN) is administered by the State Community Services Office for distribution to emergency food pantries statewide. The funds assist local food banks and other providers with the distribution of emergency and supplemental nutrition to households in poverty. Emergency food pantries utilize a variety of resources. These are mostly state and local funds leverages with in-kind resources that include food and volunteer support.

Activities

The entire state appropriation for this program was contracted to ten local providers who used the funding for a variety of purposes including operation support, supplies, food transport, food storage (perishable and non-perishable) and food.

In the future the success of the program will be measured by the level of coordination among the regional food banks and their ability to meet the growing demand of the customers they serve.

3.10 Special Housing

Recommendation

The Analyst recommends federal funds in the amount of \$385,000.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
Federal Funds	287,200	415,000	385,000	(30,000)
Total	<u>\$287,200</u>	<u>\$415,000</u>	<u>\$385,000</u>	<u>(\$30,000)</u>
Expenditures				
Personal Services	3,200			
Current Expense	200			
Other Charges/Pass Thru	283,800	415,000	385,000	(30,000)
Total	<u>\$287,200</u>	<u>\$415,000</u>	<u>\$385,000</u>	<u>(\$30,000)</u>
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

This program pays for utilities, building renovations and leased space for the homeless. It also provides housing for the chronically mentally ill, disabled homeless and AIDS victims. All resources are federal funds but only one program, Housing Opportunities for Persons with AIDS (HOPWA), is a formula grant. All other funding, including the Shelter Plus Care Program and Rural Development, are competitive grants.

3.11 LIHEAP/HEAT

Recommendation

The Analyst recommends a budget of \$12,260,000.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	11,955,000	9,486,700	12,200,000	2,713,300
Dedicated Credits Revenue	31,000	60,000	60,000	
Total	\$11,986,000	\$9,546,700	\$12,260,000	\$2,713,300
Expenditures				
Personal Services	165,700	180,400	181,000	600
In-State Travel	2,200	4,000	5,000	1,000
Out of State Travel	1,700	8,000	7,000	(1,000)
Current Expense	104,700	98,000	116,300	18,300
DP Current Expense	47,600	66,700	60,700	(6,000)
Other Charges/Pass Thru	11,664,100	9,189,600	11,890,000	2,700,400
Total	\$11,986,000	\$9,546,700	\$12,260,000	\$2,713,300
FTE/Other				
Total FTE	3	3	3	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The federal Low-Income Home Energy Assistance Program (LIHEAP), which also operates under the state title of Home Energy Assistance Target (HEAT) Program, is a 100 percent federally-funded block grant program used to provide utility assistance to low-income households during the winter months. This program is administered in partnership with local agencies such as the Associations of Government (AOGs) and non-profit agencies.

The HEAT program provides four main services:

1. It provides home heating assistance during the winter to low-income, elderly, and disabled households.
2. It provides home weatherization to low-income, elderly, and disabled households.
3. It provides utility crisis intervention assistance to low-income, elderly and disabled households.
4. It administers and coordinates the utility moratorium program.

Benefit funds that are unused at the end of the heat season (typically, November through March), can be sub-awarded for home weatherization activity (between 15-25 percent of the total original award).

Activities

Success of the program is measured by serving as many clients as possible given federal funding availability from year to year. HEAT expects to serve 32,500 low-income families in FY 2003 and 33,000 in FY 2004. In FY 2002, 32,081 families were served.

3.12 Weatherization

Recommendation

The Analyst recommends a budget of \$4,828,400.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	66,000	15,300	15,300	
Federal Funds	1,558,000	2,233,100	2,233,100	
Dedicated Credits Revenue	475,000	550,000	550,000	
Transfers	1,847,800	3,220,400	2,030,000	(1,190,400)
Beginning Nonlapsing	148,300	108,200		(108,200)
Closing Nonlapsing	(108,200)			
Total	\$3,986,900	\$6,127,000	\$4,828,400	(\$1,298,600)
Expenditures				
Personal Services	124,300	203,900	204,600	700
In-State Travel	3,400	8,000	6,000	(2,000)
Out of State Travel	3,800	5,300	5,300	
Current Expense	38,800	84,600	59,700	(24,900)
DP Current Expense	400	200	200	
Other Charges/Pass Thru	3,816,200	5,825,000	4,552,600	(1,272,400)
Total	\$3,986,900	\$6,127,000	\$4,828,400	(\$1,298,600)
FTE/Other				
Total FTE	3	3	3	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program helps reduce the energy consumption and utility bills for low-income households. Priority is given to the elderly, disabled, families with pre-school age children, those with very high heating bills, and other at-risk households. Utah residents who are below 125 percent of the federal poverty guidelines are eligible for a one-time non-cash grant to make energy efficient improvements to their homes. In addition to energy efficiency, the program seeks to increase health and safety through heating system improvements and to increase the overall comfort of the occupants. This is important since program participants reside in the most neglected, oldest, least energy efficient, and most drafty housing stock in the state. Another goal of the program is to help preserve existing affordable housing and prevent homelessness.

Activities

The Division administers the program through eight local government and non-profit agencies. Primary core funding is made available through the U.S. Department of Energy (DOE). Local agencies conduct a computerized energy audit on each home to identify the most cost effective improvements to make. They then implement a wide variety of improvements including, insulation air leakage testing and sealing, comprehensive heating system evaluations and tune-ups, client education, and electrical base load reduction measures. As a result of Weatherization, participating households realize an average annual reduction of 27.6 percent in energy use or \$249 per year savings.

The Utah Weatherization Program has been very successful in leveraging its appropriation of State funding to gain large amounts of federal, private and utility funding. Utah Power, Questar Gas and the Utah Public Service Commission have responded positively, becoming contributing financial partners in the funding of the Weatherization Program. Much of the \$550,000 contributed annually by these utility companies is a result of and dependent upon State matching funds for Weatherization.

3.13 Martin Luther King Jr. Human Rights Commission

Recommendation The Analyst recommends a budget of \$68,200.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	68,400	36,200	36,200	
Dedicated Credits Revenue	15,500	32,000	32,000	
Beginning Nonlapsing	1,400	5,900		(5,900)
Closing Nonlapsing	(5,900)			
Total	\$79,400	\$74,100	\$68,200	(\$5,900)
Expenditures				
Personal Services	44,500	23,300	23,200	(100)
In-State Travel		1,000	1,000	
Out of State Travel	3,900	1,300	1,300	
Current Expense	29,500	47,700	41,900	(5,800)
DP Current Expense	600	800	800	
DP Capital Outlay	900			
Total	\$79,400	\$74,100	\$68,200	(\$5,900)
FTE/Other				
Total FTE	1	0		(0)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Martin Luther King, Jr. Human Rights Commission is a group of citizens appointed by the Governor to promote Martin Luther King, Jr. Day, to encourage appropriate ceremonies and activities, to provide advice and assistance to governments and private organizations. The Commission is to conduct workshops and training sessions on human rights, to partner with Public Education agencies and to promote training in the principles of non-violence. The Martin Luther King, Jr. Human Rights Commission has in place four sub-committees are: Education, Speakers Bureau, Holiday and Corporate Partnership. The MLK Human Rights Commission collaborates with the State Ethnic Offices.

4.0 Additional Information

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	5,076,400	3,734,300	4,348,400	3,390,300	3,876,200
General Fund, One-time	184,500		1,000,000	99,000	
Federal Funds	22,842,600	30,758,600	27,492,400	30,802,200	33,123,100
Dedicated Credits Revenue	25,700	658,900	521,500	642,000	693,000
Federal Mineral Lease	472,500				
GFR - Constitutional Defense			100,000		
GFR - Homeless Trust	150,000	150,000	150,000	150,000	250,000
Permanent Community Impact	462,500	508,700	632,000	826,100	735,000
Transfers	(489,000)	2,069,100	1,897,000	4,165,600	2,090,000
Beginning Nonlapsing	279,600	309,300	532,400	467,400	
Closing Nonlapsing	(508,000)	(532,400)	(467,400)		
Lapsing Balance	(147,300)	(38,400)	(47,800)		
Total	\$28,349,500	\$37,618,100	\$36,158,500	\$40,542,600	\$40,767,300
Programs					
Weatherization Assistance	3,003,000	3,772,200	3,986,900	6,127,000	4,828,400
CD Administration	539,500	632,600	962,000	470,600	440,300
Museum Services	209,700	216,900	1,289,500	502,200	277,200
Community Assistance	8,565,500	8,198,000	7,908,900	11,696,800	12,009,800
Pioneer Communities	267,500	316,500	232,900	240,100	222,200
Housing Development	796,800	870,300	654,500	2,461,400	1,425,900
Community Services	2,678,200	3,017,700	3,252,900	3,174,800	3,010,400
Homeless Committee	2,166,700	2,266,000	2,428,800	2,286,500	2,386,500
Commission on Volunteers	1,522,100	1,991,900	2,909,900	3,404,000	2,722,100
Martin Luther King Commission	51,900	66,400	79,400	74,100	68,200
HEAT	8,090,800	15,596,700	11,986,000	9,546,700	12,260,000
Asian Affairs					122,100
Black Affairs					121,100
Hispanic Affairs					169,000
Pacific Islander Affairs					184,700
Emergency Food	145,300	138,300	179,600	143,400	134,400
Special Housing	312,500	534,600	287,200	415,000	385,000
Total	\$28,349,500	\$37,618,100	\$36,158,500	\$40,542,600	\$40,767,300
Expenditures					
Personal Services	1,826,600	2,270,800	2,528,000	2,597,000	2,990,700
In-State Travel	76,200	90,900	82,700	110,800	113,800
Out of State Travel	83,300	71,700	86,100	107,900	112,900
Current Expense	706,600	622,900	687,300	789,300	719,900
DP Current Expense	46,600	172,800	73,400	96,300	94,200
DP Capital Outlay			1,800		
Other Charges/Pass Thru	25,610,200	34,373,400	32,699,200	36,841,300	36,735,800
Operating Transfers		15,600			
Total	\$28,349,500	\$37,618,100	\$36,158,500	\$40,542,600	\$40,767,300
FTE/Other					
Total FTE	37	37	44	42	50

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

Program		FY 2002 Actual	FY 2003 Estimated	FY 2004 Analyst
Community Development Block Grant	Federal	6,998,100	11,017,200	11,395,400
	Required State Match	168,800	166,000	166,600
Special Purpose Grants	Federal	0	60,000	60,000
	Required State Match			
HOME	Federal	1,567,600	3,392,100	3,392,100
	Required State Match	313,500	678,400	678,400
Shelter and Care	Federal	133,400	50,000	50,000
	Required State Match			
Housing Opportunities for Persons with Aids	Federal	153,000	315,000	315,000
	Required State Match			
Rural Development	Federal	800	50,000	50,000
	Required State Match	400	16,500	16,500
Low Income Home Energy Assistance	Federal	11,955,000	9,486,700	12,200,000
	Required State Match			
Weatherization Assistance	Federal	1,558,200	2,233,100	2,233,100
	Required State Match	66,000	16,000	16,000
Community Food and Nutrition Program	Federal	3,213,000	3,132,500	2,968,100
	Required State Match	39,900	43,900	43,900
Americorp	Federal	2,175,100	3,013,700	2,437,500
	Required State Match	193,600	93,600	93,900
CNS Professional Development and Training	Federal	158,200	133,200	133,200
	Required State Match			
CNS Learn and Serve	Federal	132,100		
	Required State Match			
Americorp Disabilities Program	Federal	15,100	15,100	15,100
	Required State Match			
Promise Fellow	Federal	157,600	46,600	46,600
	Required State Match			
Education Grant	Federal	49,200		
	Required State Match			
Emergency Shelter Grant	Federal	577,100	547,000	547,000
	Required State Match			
Total		\$29,625,700	\$34,506,600	\$36,858,400

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Economic Development and Human Resources

Transfers

Contents:

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1.0 Transfers

Purpose

This program accounts for appropriations which transfer funds into existing programs.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	2,033,400		2,033,400
Federal Funds	2,690,000		2,690,000
Federal Mineral Lease	14,959,900		14,959,900
Mineral Bonus	2,053,700		2,053,700
Total	<u>\$21,737,000</u>	<u>\$0</u>	<u>\$21,737,000</u>
Programs			
Permanent Community Impact Fund	17,013,600		17,013,600
Olene Walker Housing Trust Fund	4,623,400		4,623,400
GFR - Homeless Trust Fund	100,000		100,000
Total	<u>\$21,737,000</u>	<u>\$0</u>	<u>\$21,737,000</u>
FTE/Other			

3.1 Transfers: Olene Walker Housing Loan Fund

Recommendation The Analyst recommends a budget of \$4,623,400.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	2,568,800	1,933,400	1,933,400	
Federal Funds	1,350,100	2,690,000	2,690,000	
Total	\$3,918,900	\$4,623,400	\$4,623,400	\$0
Expenditures				
Olene Walker Housing Trust	3,918,900	4,623,400	4,623,400	
Total	\$3,918,900	\$4,623,400	\$4,623,400	\$0
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Summary This program accounts for the transfer from the General Fund into the Olene Walker Housing Loan Fund.

3.2 Transfers: Industrial Assistance Fund

Recommendation

The Analyst has no recommendation for additional funding in FY 2004. In the Sixth Special Session there was a transfer from the Industrial Assistance Fund to the General Fund to provide a grant to a Health Informatics Firm.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund, One-time	329,400	6,430,000		(6,430,000)
Total	<u>\$329,400</u>	<u>\$6,430,000</u>	<u>\$0</u>	<u>(\$6,430,000)</u>
Expenditures				
Other Charges/Pass Thru	329,400	6,430,000		(6,430,000)
Total	<u>\$329,400</u>	<u>\$6,430,000</u>	<u>\$0</u>	<u>(\$6,430,000)</u>
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Summary

This program accounts for the transfer from the General Fund into Industrial Assistance Fund.

3.3 Transfers: Homeless Trust Fund

Recommendation

The Analyst recommends transferring \$100,000 from the General Fund to the Homeless Trust fund.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund		100,000	100,000	
Total	\$0	\$100,000	\$100,000	\$0
Expenditures				
GFR - Homeless Trust		100,000	100,000	
Total	\$0	\$100,000	\$100,000	\$0
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Summary

This program accounts for the transfer from the General Fund into the Homeless Trust Fund.

3.3 Transfers: Mineral Lease

Recommendation The Analyst recommends a budget of \$17,013,600.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Federal Mineral Lease	16,195,000	19,365,000	14,959,900	(4,405,100)
GFR - Mineral Bonus	2,100,000	2,100,000	2,053,700	(46,300)
Total	\$18,295,000	\$21,465,000	\$17,013,600	(\$4,451,400)
Expenditures				
Other Charges/Pass Thru	18,295,000	21,465,000	17,013,600	(4,451,400)
Total	\$18,295,000	\$21,465,000	\$17,013,600	(\$4,451,400)
FTE/Other				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Summary

This program accounts for the transfer of Federal Mineral Lease revenues into the Permanent Community Impact